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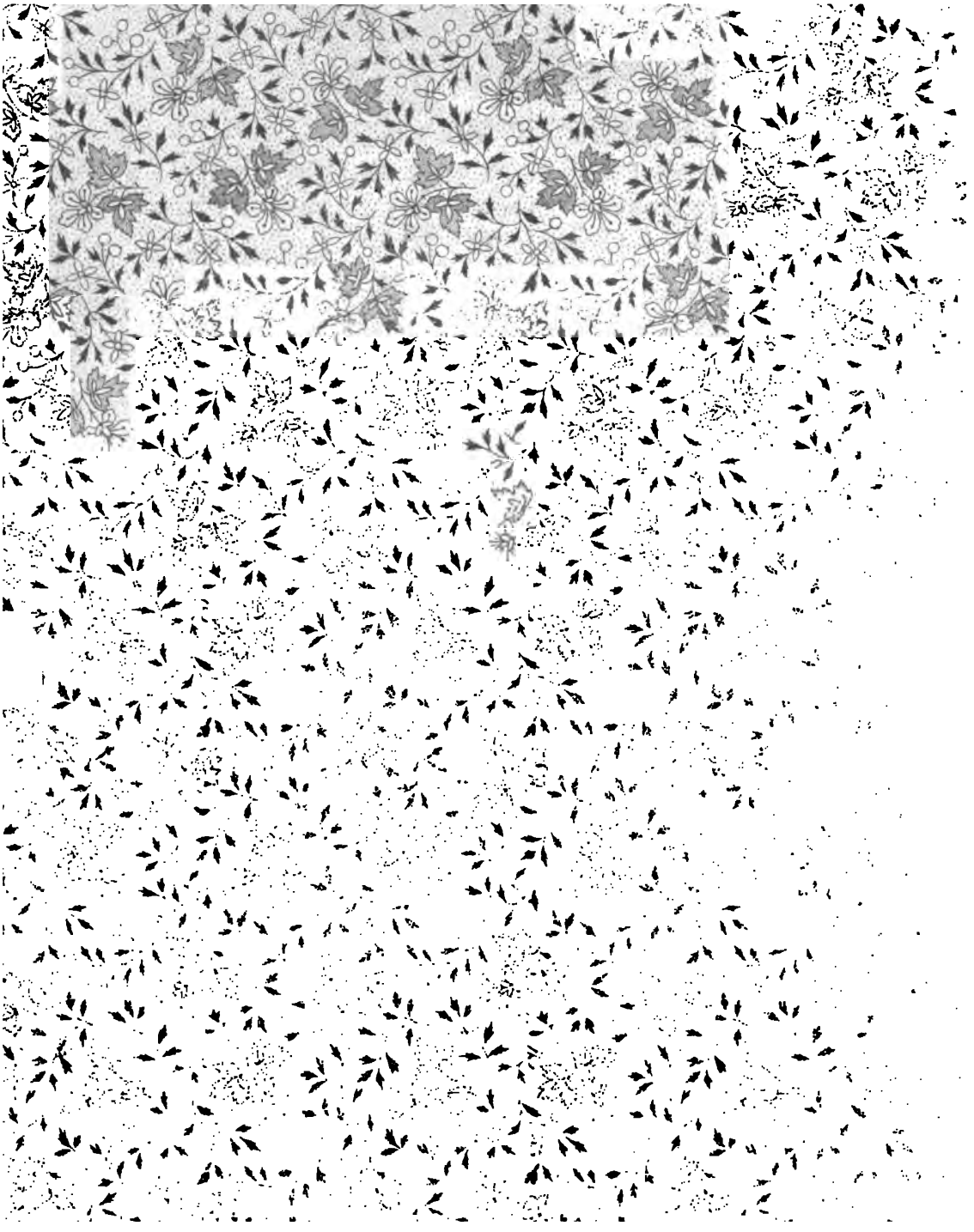

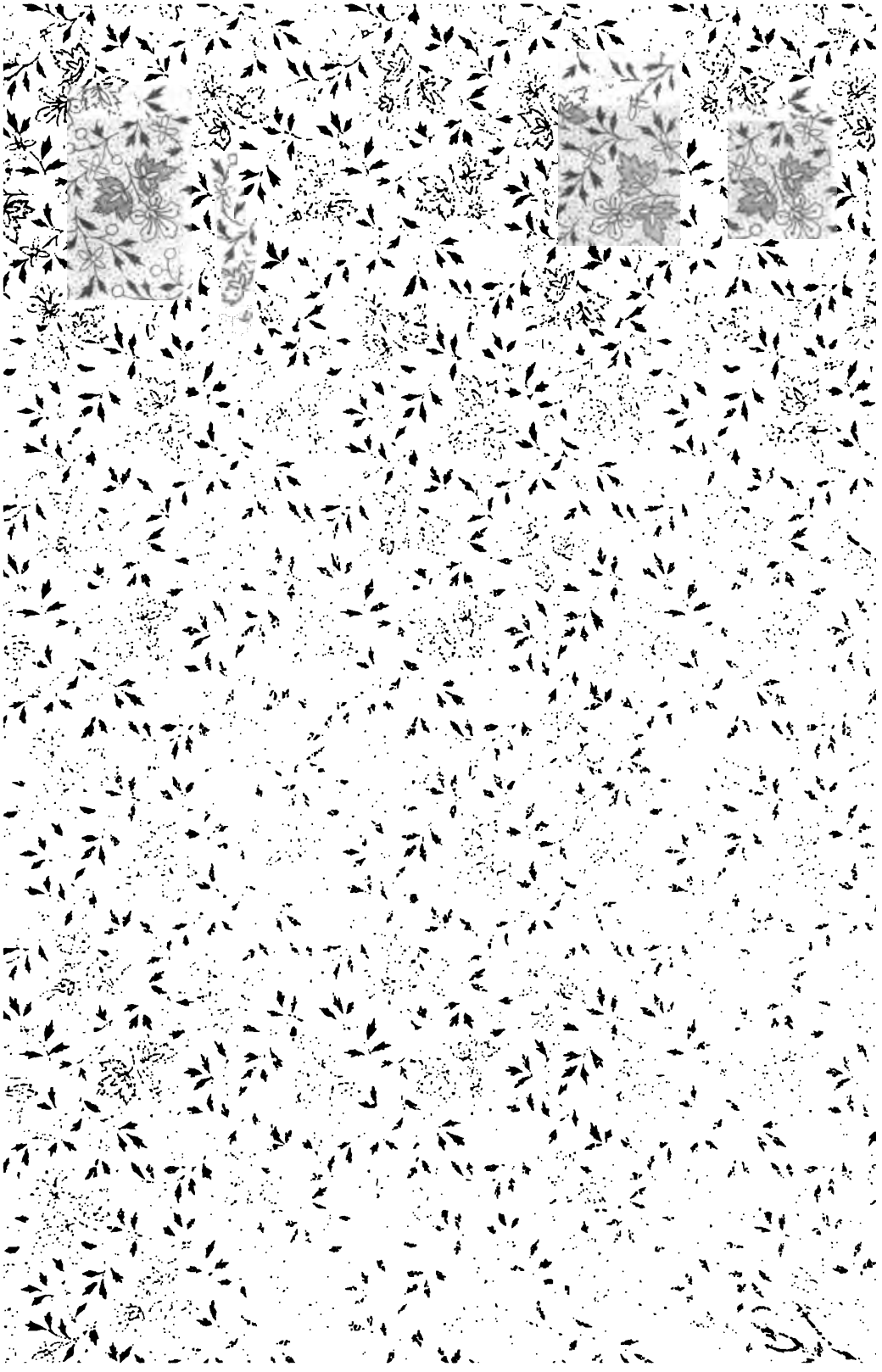

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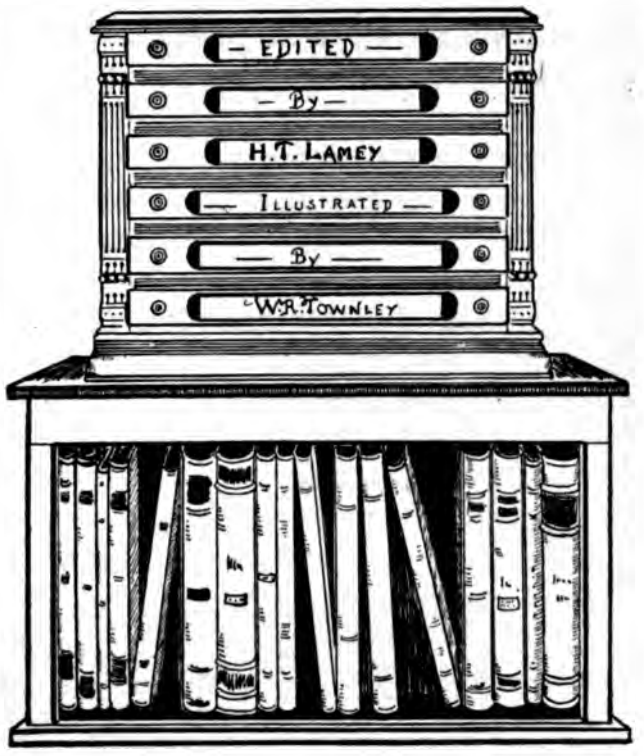
MÉMOIRES of NAT H. JONES An Insurance Man



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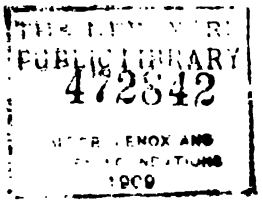

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"Belt the round World,
encircle land & main,
Far as the white-winged ship
or sweeping train;
Note all the mazes
of financial strife,
Observe the quiet
of domestic life,
In crowded city
or in rural field –
Above them all
Insurance holds her shield;
And modern life
is possible to man
Alone through her
compensatory plan!"

— C. C. Hine

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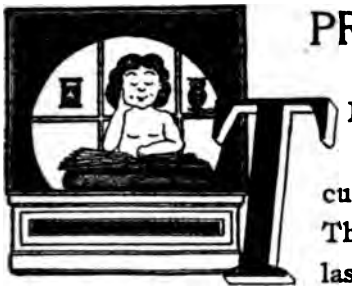


PREFACE

THE reader may blame the Editor for the lack of consecution in Mr. Jones' Mémoires. They were as voluminous as a last century romance, and as prosy as the sermons he might have delivered. The Editor is also responsible for the suppression of three-fourths of his manuscript, but not for all of his opinions. Opinion is so much a matter of temperament and environment that a change in either may produce different conclusions. If you do not agree with all his *dicta*, it may be attributed to difference in temperament, for Jones was red-haired.

Judged by his Mémoires, he was, with one exception, an ordinary business man. He says he was large and strong, from which I infer that his digestion was good. Yet there are many symptoms of the pessimist, a physical and mental combination most extraordinary. He begins life

jokingly, and his jibes grow progressively sarcastic, cynical and Schopenhauerish. Disenchantment follows the realization of his expectations. How many of his middle-aged readers can reconstruct the process from experience?

The tale of his commonplace life is told without literary pretensions. If the story be dull and uninteresting, it is still a fair caricature of the business in his time, and is overdrawn only enough to accentuate some of the abuses that have grown into and become a part of the agency system. As he is not a reincarnation of Dickens, it is too much to expect that his satire may correct bad practices; but some of them may be abated, or at least deserve the contempt born of familiarity.

Few who have not had personal experience are at all acquainted with the lot of the Country Agent, though some of the foremost American Underwriters began their insurance career in the country town. If he deserves or receives any sympathy, it will be from men familiar with the great expectation, and consequent disappointment, of the humble country agent. His city brother is trained in a different groove, and can see beyond the tinsel of title and authority. He

lives so near the throne, that he cannot conceive of such innocence; he is disenchanted from birth.

The business future is unpromising, but it is not hopeless. Napoleon arose out of the chaos of Revolution, and, under his guidance, anarchy became order; weakness was converted into strength. Strong men are the product of desperate situations. May we not expect the coming of a Moses who will lead us through the Wilderness?

THE EDITOR.

Part I

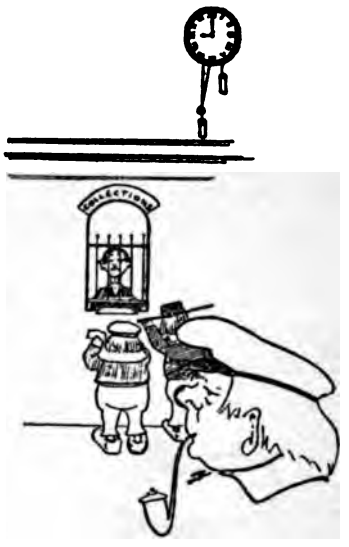
Expectation

CHAPTER I

OF MY PARENTAGE, BIRTH AND EDUCATION

IN the middle of the nineteenth Century, before the discovery of petroleum, Northwest Pennsylvania was noted for its hills without soil, good timber, abundance of game, rough roads, poor transportation facilities, and self-sustaining, self-supporting people. The Allegheny River was the highway, rafts were the vehicles, and Pittsburgh was the Mecca. All that portion of the State was out West, Ohio being 'way out West.

The early settlers were the Dutch from East of the mountains, Scotch-Irish, and a few transplanted French peasants, wooden shoes, superstition and all. Everyone knows of the Pennsylvania Dutchman and his peculiarities. He is frequently born in a log house, while his cattle live in a frame barn. He works in the field fifteen



Early Dutch Settlers

hours a day, and at least three hours about his stable; thrives through hard work and economy, and thus leaves to the next generation better prospects than he himself inherited. The Scotch-Irish are more ascetic and hard-headed, with strong, well-disciplined religious convictions and prejudices. They make steady citizens, of robust constitutions and healthy blood.

An Irish-Dutchman -

Such was the time and place of my nativity, and as indicated, I am a Dutch-Irishman, differing from Cunningham in that he is an Irish-Dutchman. The ascetic predominated in the home life and morals of both. Neither of us were permitted to whistle on a Sunday when we were boys, and I attribute the sedate and austere manners and conduct of the latter to his early training. However, I do not set much store upon my *Geburtsort*. We Americans are so migratory that home does not mean as much to us as to our old world ancestors. The chief point is that I was born, not where or when.

A Dutch-Irishman

The writer of an autobiography should commence early. With due reference to the good example he is to set his readers, his youth should be filled with noble thoughts and aspirations, thus distinguishing him from the common herd. Alas, even the uncommon youngster—if there be one—is much like Gargantua in his childhood, differing from other children only in degree, and giving little promise of his future greatness. There are prodigies and good children, but they mostly go crazy or die young.

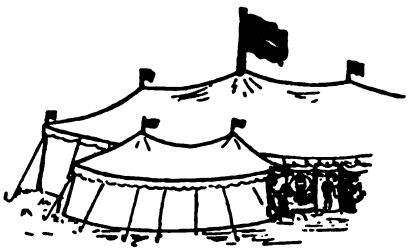
An uncommon you

The educational facilities of a backwoods community were not equal to those of the present city schools, yet I learned to read, "figger" and fight. Of the three accomplishments, I think the last the most useful for an insurance career. It is true I did not acquire it with malice prepense, as I was a grown man before I ever saw an insurance policy. It was not much of a policy either, as it belonged to the brood of township or county mutuals, a few of which have survived even to this day.

I learn to fight

The life of a farmer boy is romantic—in the perspective of the past. In the present it is a

life of realities. As soon as he can walk he is set to herding stones on the meadow, while hungry fish are watching for worms. Then he must drop corn, and hoe it when it is up; carry water, turn the grindstone during harvest—a thankless task, but strengthening to the arms—dig potatoes, husk the corn, and, beside a hundred other employments, chop the fire wood and do the chores. Is it strange that he should think a professional career more attractive? Is he not justified, considering his experience, in seeking more remunerative employment, since his average wages (though he often does more than a man's work) is a quarter on the Fourth of July and an occasional circus ticket?



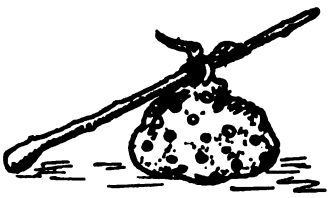
Next to naming the baby, the most anxious family discussion is connected with his future vocation. What shall we make of him? My godfather was a minister, now one of Chicago's prominent divines, and I was destined by my parents to the same career, but the cherished hope withered, much to my mother's chagrin, and the

What might have been

Church unknowingly lost a shining light. As piety and good lungs often outweigh brains, it is possible I might have become a presiding elder in the fulness of time. Whether even this exalted position outranks that of an insurance agent, I leave to the judgment of the reader. At any rate, what might have been, wasn't.

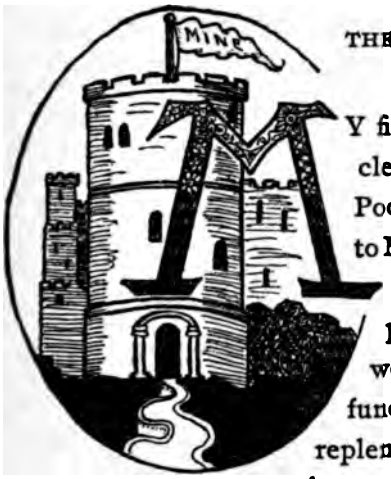
- off to college -

When I was sixteen and six feet; when I had not only gone through all the country school books, but had taught a country school one term, I was sent to college. The result of the four years spent there I summarize as follows: My clothes fitted me better; part of my *gaucherie* had disappeared; I had absorbed a little Latin, and less Greek, and was less qualified to earn a living at twenty than at twelve. My bump of self-esteem had developed out of all proportion; in fact, I was a fair sample of most college products; I had a distaste for manual labor, and was not equipped for anything else. I, therefore, traveled for a couple of years, and at two-and-twenty, that serious problem, How shall I collect my living from the world? was still unsolved.



CHAPTER II

THE COUNTRY EDITOR



MY first employment was that of a clerk in an insurance office at Podunk, Mo. I was on my way to Mexico, a country much talked of at that time, and where opportunities to make a fortune were said to be abundant. My funds were low, and I tarried to replenish the chest. It was a more serious undertaking than I imagined. I was a finished architect of Castles in Spain, but my plans never progressed beyond the drawings, and my dreams of making money differed slightly from the reality. I could pay my board by economy, but I could not accumulate, and the business of insurance, as introduced to me, was not attractive. Although a fortune awaited me in Mexico I was unable to claim it. It awaits me yet.

Behold me married.

Cherchez la femme, our Gallic friends say. I found her without seeking. Without serious thought of matrimony, behold me married. I had been in love a dozen times before, but not often enough to evolve an ideal. It is the old fellow who has a stock of unattainable ideals, and they do not result in marriage licenses. The world is repeopled by youthful love, not by mature calculation, (which is not a component of love) or, as the cynics and bachelors say, by rashness rather than reason.

By this time I had established a country newspaper, and had a fair prospect of such a competence as usually comes to the country editor. In inducing Matilda to share my prospective fortune, I was as honest as Col. Sellers and about as wise. What brains I had were evidently not employed in the business department, where a superior quality and quantity was needed.

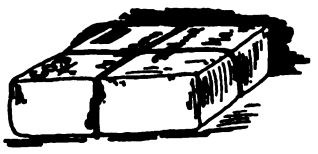
In every community there are a number of aspiring writers, but most of them are too wise to own their own educator; they borrow the local paper for their effusions, and place it under obligations for the copy. My refusal to sponge on

my neighbor was responsible for a valuable business experience that to many men comes too late in life. I was young, my enthusiasm was not exhausted, although my small capital was, and my next venture had to be chosen accordingly. My creditors owned the plant.

While inexperience was partially responsible for my failure, one of the causes lay deeper, and is inherent to the business. The country merchant imagines space is worth nothing. The editor must get out a paper every week, and might as well fill up on advertising as on longwinded editorials that nobody cares to read. Consequently when he trades out an advertising bill, he feels as if he was doing his whole duty to the community. He no more thinks of paying money for locals than does the patent medicine man.

Asst. Editor "Popular Basoo".

The farmer pays for his subscription in produce—the merchant pays for advertising in goods—the doctor in services—and a good many of the others not at all. The cash drawer is always empty. During the horse season money is easier, but there is never enough to go around. Everybody pays in trade, and everybody wants to be paid in cash.



Even the devil wants a quarter occasionally. I could stand off my home creditors, as they presented their bills in a perfunctory way, not expecting them to be paid; but the St. Louis houses were not so easily jollied. When I didn't pay promptly, they sent their material C. O. D.—and who has learned the art of working an express agent? I never.

Once I made a killing on a tax list, paid all my foreign bills, and was the proudest man in town. It was so unusual and delightful to have an established credit that I worked it overtime, and it wouldn't remain established. Even a chattel mortgage as a last resort could not keep it going, and when the sheriff added the last straw by getting his sale bill printed at the opposition office, the *Bazoo* ceased to toot.

If you want advice on how to conduct any business properly, you can always get it from the man who tried it and couldn't. I know a plenty about the newspaper business—enough never to undertake it again,—and I offer my experience and conclusions gratuitously to the aspiring youth, who thinks he is fashioned to fill a long felt want. Use some other man's paper freely, if he will

permit you, but do not attempt to publish one of your own. There is no money in it. The Washington hand press reminds me too much of the grindstone on the farm. It is a thankless work, but strengthening to the arms.

CHAPTER III

MY FIRST AGENCY

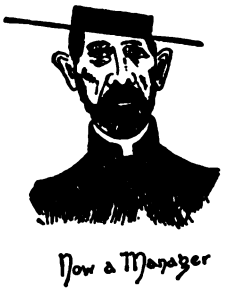
THEORETICALLY, there are many ways of establishing a business; but in practice most local insurance agents are graduates of the school of adversity.

Demonstrate by failure that you are unfitted to conduct a business of your own; add creditors *q. s.*, and the prescription is finished. I took this course, with a diploma from a country newspaper office, in addition to the following qualifications: A good local acquaintance, some experience as a solicitor, and the good will and best wishes of all my creditors. The latter not only assisted me to companies, but helped the companies get business—by trading over-due bills for policies.

the writer inadvertently omitting the "Wanted." In the make-up, it got into the wrong column, that was all; but it served a purpose, for it attracted the attention of the special agent of the Cataract Insurance Company. After some preliminary conversation, he told me a lot of things I did not know; explained the safety valve construction of the company; dilated upon the attractive name, and more attractive sign by some great master; persuaded me I could renew all the business on his books (one policy); gave me such preliminary instructions as other topics permitted, and went on his way rejoicing. His original report was recently resurrected from the old files of the Cataract office, and is reproduced as a confirmation of the statement that I was made, not born, an insurance agent. The special agent is a practical every-day optimist; every agency change is a good one—or he would not make it. Every man will learn—at some company's expense. Every prophecy is good—if it is fulfilled, and if not it can be repeated *ad. lib.*

Once a start was made, it was astonishing how many companies wanted to change agencies.

They showered in, and in a month my inexperience had been imposed upon by half a dozen specials. All they wanted at first was an agency. It required a second visit to develop the want of business, and sometimes several to get that want supplied. The result was inevitable; as most of them left one over-crowded agency for another, they were still on wheels, and dissatisfied with my particular brand of dust on their supplies.



The necessity of living by your own efforts is a powerful incentive to industry. A very few may work because they love work, but most of us work because we must, being born aristocrats—vulgarly called lazy. Necessity was the mother of my business, which increased as time passed until my leaders had a larger premium income than the oldest agency companies that had been established there "time to which the memory of man runneth not to the contrary." The then special of the Vesuvius, now one of her managers, had occasion to change his agency, and as it was a valuable company, I was an applicant; but he passed me by for a banker. This was an instance

of careful selection, for the banker shortly failed. The sign of Bank over his portal was a bigger humbug than my Insurance Agency sign of the previous month. *Haec fabula docet:* things are not always what they seem; also: we take chances even in selecting a banker. Why not, since we deal in probabilities, not certainties, and the laws of chance form the basis of our business?

CHAPTER IV

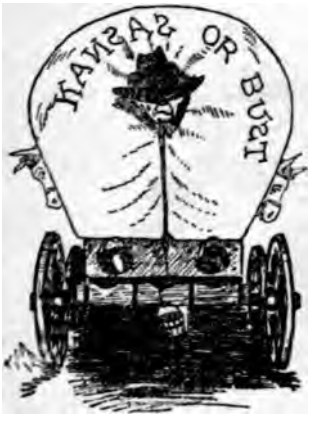
OF THE TOWN AND MY ASSOCIATES

ODUNK CITY was the corporate name of the town, but it was not, strictly speaking, a metropolis. The founders of many Western villages were fond of Hyperbole—quite unconsciously, however, as many of them could not distinguish her from Aphrodite if they met her on the street.

The plan of the town was not original, but a fair copy of the famous capital of the Blue Grass region in Kentucky. The type is a common one in all the Southwestern States. A public square ornamented with a dilapidated Court House and scrubby trees; a rickety fence decorated with mule teams and mule drivers, both of the lazy, indifferent type; sidewalks frescoed with ambier, buildings sadly in need of repair, and citizens over-grown with moss.

The old settlers all came from Kentucky. If all the Missourians who claim origin from the Blue Grass country had never emigrated, it would be the most densely populated region on the globe. If it is as charming as represented, why did they leave? Or, is it possible that some of them were poor geographers?

While Podunk was a good field for a moulder of thought and a leader of opinion, the hope of securing the county printing was the immediate cause of my choice of location. After my brief and disastrous career as a publisher, and when I enlisted as a recruit in the army of insurance agents, I had no choice. My free-will was dominated by my inability to leave, even if I wished, and the necessity of providing food and raiment for myself and family.



In the course of time the town grew. Many emigrants on their way to Kansas re-considered and located with us permanently. The character of the buildings changed, the appearance of the town changed, business opportunities were enlarged, and the effect on the insurance business was marked.

While Podunk was moribund, one agent with half a dozen of the pioneer agency companies had supplied the needs of the inhabitants, but with the increased importance of the town other companies sought foothold with the following result: Every clientless lawyer and estateless estate agent carried insurance as a side line while we others practiced it for a livelihood:

1 ex-clothier,
1 ex-publisher,
1 ex-Kansas Boomer,
1 ex-banker,
2 ex-preachers — Campbellite and Methodist,
1 ex-druggist,
3 ex-County officers,

and the above mentioned Old Agent, who was not an ex-, not even an ex-Confederate nor an ex-Kentuckian, but he had the business and we wanted it.

Covetousness was properly forbidden to the Jews, but under the new dispensation the Decalogue is reduced to nine, and the old tenth is included in the Beatitudes. Thus the moral code is accommodated to the increasing demands of

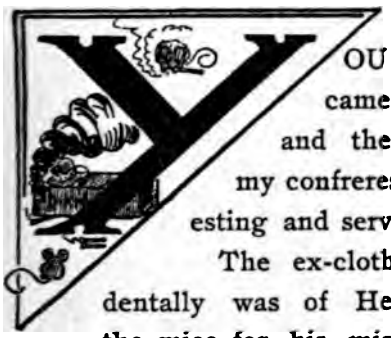
modern business, or insurance agents would have little show for their white alley.

A load of lumber gave us the same sensation as the bread and butter gave the scholars at Dotheboys Hall. We knew there was not enough business to feed us all, and each wanted to be the one served first. This condition of semi-starvation crowded me out of a local into a special agency; sent one of the ex-county officers to the penitentiary; bankrupted the Old Agent, but never phased the preachers, probably because they had been inoculated.

During one of the rare intervals when the local board meetings were well attended, its sessions resembled a church conference meeting. The trouble with us was, that, instead of fining each other for cutting rates when we had a plain case, we pouted, refused to attend the meetings, and took personal revenge by stealing a line from the other fellow on the best terms we could get. I have often wondered if the agents in other towns acted in the same way. We had no guide but our consciences, and some of them were so seared that they were not in good working order.

CHAPTER V

ANTECEDENTS OF MY COMPETITORS



OU know how and why I came to be an insurance agent, and the antecedents of some of my confreres at Podunk may be interesting and serve as a warning to others. The ex-clothing merchant, who incidentally was of Hebraic extraction, blamed the mice for his misfortune. It is more than passing strange that the freak appetite of the mouse for sulphur matches should always coincide with an old stock, dull trade and pressing creditors; but he denied having anything to do with it himself, and said it *must* be mice and matches. He made more reputation as a claimant than as an agent. There wasn't as much money in the agency branch as in the claim department, and he soon abandoned it. Further, deponent sayeth not.

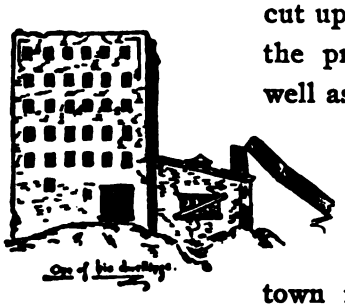
The Campbellite minister was not really unfrocked, he was gently dropped. His charge was in the country, and, as the picking was poor, he cultivated hogs between sermons. It was charged, and I fear, proven, that his season's run of sorghum molasses was emptied in the sand, and when the hogs had eaten a hundred pounds or so apiece they were marketed. This was considered too much of a Yankee trick for a Southern congregation; and as such abilities should not go to waste, they were utilized in his new profession.

The supply of town lots in Kansas was never exhausted, but it was said that the Boomer got one of the new additions mixed up with a piece of land he held four or five miles out. As the real values were probably equivalent, this wasn't much to raise a row over, but he emigrated to Missouri, and later, as a precautionary measure, to Arkansas. There were rumors of fictitious mortgages floated on the Eastern market, but they were set a-going by the malevolent, and never gained general credence.

Before the high license law was enacted there were seven or eight drug stores in Podunk, and they all did a thriving business. But when Pat Soakum and his fellows were asked to pony up a thousand semi-annually in advance, they became temperance advocates. The profits from the sale of drugs alone would not pay the rent, and some of them retired, among them my old friend, who supplied my newspaper force with medicines for years, in exchange for an advertising bill. We settled accounts annually, and each added say a hundred to his bill to offset what he suspected the other would add, exchanged ratifications, as the diplomats say, and opened a new account. He was one of the best fellows in the business and deserved the success he achieved.

We unfortunately lost one of the brightest members of the Podunk Board. It is said he went to Canada. Country business was no more desirable then than now, and it was sometimes necessary to meet competition to make the diagram fit the rate, thus:

The Company after a loss, refused to accept the common definition of detached as unattached; it found, through inspecting the business closely, that he had made some mistakes in describing special hazards as dwellings, and threatened to cut up over it, so the poor fellow had to abandon the profitable business he had established, as well as his wife and family.



From these samples you will see we were not so slow, we Podunkers. If a premium got away with all of us on its trail, it had to hustle. There wasn't a better insured town in the State; all the inhabitants were educated. Even the farmers had their eye-teeth cut, for the famous Col. Tram of Iowa worked Jay County for a season, and he was the equal, in his special line, to the entire Podunk Board.

CHAPTER VI

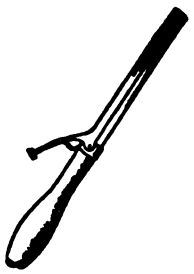
THE OFFICE CLERK

HAVING been an employee as well as an employer, I know something of the duties and responsibilities of a clerical position. A scape-goat is a necessity; somebody must be responsible for errors and mistakes, and who so convenient as the clerk?

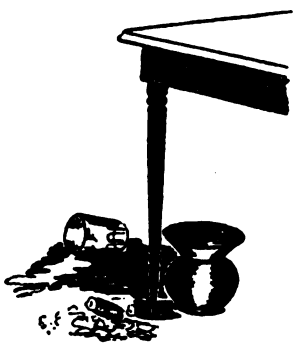
The selection of a clerk is like the choice of a business partner—you nearly always wish you hadn't. Men are usually employed in local insurance offices, but my preference is for the feminine. I unhesitatingly recommend a young woman, the prettier and more attractive the better. There are so many unpleasant incidents in the daily drudgery of life, that it is a rest to the eye and the brain to gaze upon beauty, grace and neatness.

It is true a woman can talk back, but so can a man, and she cannot strike back while he can.

She is not too ambitious; does not expect a raise in salary over twice a year, and is not apt to open an opposition office and try to do business on your expirations. These are some of the reasons for my preference. An anonymous versifier has quoted more, and while I adopt his conclusions, I refuse to accept his barbarous pronunciation of clerk, which is too much for even poetic license.



Out of employment? Can we give you work?
I'm sorry, sir,
But we have no use for another clerk
Since we have her.
Though she is a girl, we find she can do
The work that was formerly done by two;
Men, too, they were.



She does not expectorate, drink nor swear
As some men do;
Whenever she's wanted she's always there
Till work is through.
Flirt? Of course she does, but she does not smoke
Nor take a night off and come home dead broke.
Not by a few.

She's honest and faithful as well as cheap
(Not half your price).
She is neat and tidy and knows how to keep
Things looking nice.
We are satisfied, sir, and do not care
To discuss it further; as you are aware
This should suffice.

There are some exceptions. If the agent be young and susceptible, she is dangerous. If he be old and susceptible, she is perilous. If he be married, his wife has probably grown so accustomed to believing fibs she may balk at the truth; and while a little jealousy is as spice to married life, too much is worse than tobasco with a catsup label.

In any event, even if it is necessary to allow your wife to select her, get a girl; the plainest is better than none, and is not likely to reserve the only extra office chair for her retainers. The specials will, of course, keep the office supplied with gold pens, ink-stands, and small office knick-knacks usually charged to postage account, and you can amuse yourself by watching their cultivating antics and listening to their smart and gallant speech and compliments.

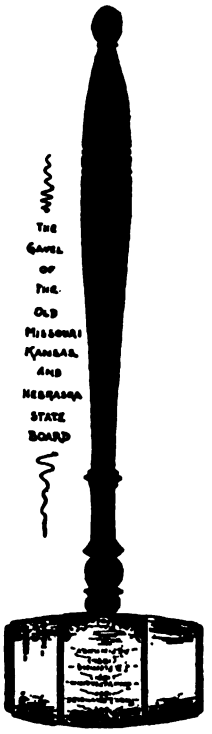
CHAPTER VII

A MISSOURI RATE

AMONG the perennial troubles of underwriters, I reckon rates the chief; and while we Podunkers were simple insurance agents, and did not aspire to be underwriters, the troubles mentioned did not draw such fine distinctions. We had our full portion and to spare.

Following the dissolution of the old National Board, rates in Missouri also became dissolute, from force of example probably, and one of the first good resolutions of the recently formed Union was the encouragement of State organizations of field men. Among these the old Missouri, Kansas & Nebraska State Board easily took first rank.

It is now, because of secession and legislation, only a memory, but a pleasant memory



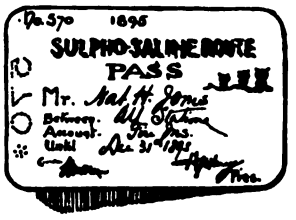
withal. The old associations and friendships are dearly cherished by the few surviving members, some of whom are still in the field and some of whom wish they were again in the field.

Rates were theoretically made by a Committee of the State Board, acting with and advising a Committee of the Local Board, but in practice the State Board Committee found Gambrinus a more pleasant consulting associate. The Committee swallowed him, made the agents swallow the rates, and all were full if not content.

In thus exhibiting the inner workings of rating, I am open to criticism from a respectable branch of the fraternity that does not believe in educating the public or taking it into our confidence that is so noisily advocated by some underwriters and class journals. There are arguments on both sides, and as only one has been heard, I shall give the other a line or two.

Stock fire insurance is business, not philanthrophy nor speculative philosophy. Business is conducted to make money. No matter what the subject the object is the same. The public understands this quite well, and is interested in any

business not its own, only as you and I are interested in the selling price of clothing, groceries, coal oil or coal. We do not care by what system the Standard Oil Company figures its prices, but we are interested in the prices.



The public does not weep because fire insurance was conducted at a loss in any given year—quite the reverse. It considers itself the gainer. You do not pay your railroad fare if you can get a pass. The cost of transportation does not worry you if your own be only cheap or free. Yet railroads are public utilities, while stock company insurance is—plain ordinary private business.

Consider for a moment that you are part of the public; reflect upon how little you are interested in your neighbors' business, and you will concede the folly of the proposed campaign of education.

To return from the field of speculation to Podunk. It was after the departure of the State Board Committee that rates were actually equalized. Pat Soakum's saloon had always been coveted by the Campbellite preacher, but he couldn't reach it alone,

so he took the Kansas Boomer into his confidence. The Old Agent was Chairman of the Board and ex-officio of the rating committee. The two worthies above were his associates and Pat's rate was reduced from 3% to 2% by a vote of two to one.

The companies being dissatisfied, they next usurped the rate-making authority, and the third factor, the compact manager, was born. He flourished for a while, but this time the people were dissatisfied, and they took a notion to do some usurping on their own account. As I think it well to leave something to the imagination, I will do so here and allow the reader to imagine, if he can, a Missouri Rate that was fathered by the State Board, nursed by the Local Board, reared by the Compact Manager, and tried, condemned and executed by the legislature.

CHAPTER VIII

REORGANIZING THE LOCAL BOARD

SEVERAL committees of the State Board had failed to get the Podunk locals into line, so Major Macleur, the grand high commissioner of Commission No. 4, since deceased,—the Commission, not the Major—was sent out to try his hand on us.

The meeting was called by the Old Agent, the greatest sufferer, who unanimously elected himself Chairman, and appointed me as Secretary. As the report of the proceedings is copied from my original notes, it is accurate enough for historical purposes.

The Major, in his own inimitable way, made us a speech, of which the following is the substance; but its drollery is necessarily omitted. "Now, boys, I have got you together, and we want this devilment stopped. There's only one

way to stop it. Sign the local board agreement, be honest, and we will re-rate the town and commence anew. Bygones shall be bygones, we'll wash the slate and start afresh." Motion put by the Chairman; any remarks?

1st County Officer: "I'm agin signin' anything till the rates are made. If they suit I'm agreeable."

Kansas Boomer: "I'm opposed on principle to surrendering our right to make and revise the rates to anyone, and for one, refuse to vote for the motion."

The Campbellite preacher, who has loaded up on shaded business: "I favor the motion. Honesty is the foundation of our business. Let the dead past bury its dead, and let us resolve here and now to abide by correct practices in the future. I hope all members present will sign up and join us in an effort to establish the business on a sound basis," etc., etc.

The ex-Druggist: "I agree with my predecessor, provided all agents are first made to cancel cut-rate business. I have lost too many customers to come here and cinch them for the other

fellow by any such action as is proposed. Repentance first, then absolution is *my* motion."

The Old Agent: "Are there any more remarks on the motion? I think I have suffered more by bushwhacking than any of you, and I'm plumb tired of it. If you don't do something, I'll make rates wide open, and see how you like it. My companies have reached the limit, and I'm ready to fight. If there are no more remarks, all in favor of the motion will say—"

The Major: "Excuse me, Mr. Chairman; before you put the motion I want to say that there is no compulsion about this. I want to help you out of a bad box. Down in Arkansaw durin' the war, the Yankees had us cornered, and we'd been livin' on parched corn for about a week. The General said one day, 'Boys, I want to help you out. If we stay here we'll starve—even the corn's runnin' low. Who's willin' to make a break?' Now, I'm the General, who's willin' to follow me?"

Motion put by the Chairman, and carried, 17 to 2. The seventeen signed the constitution and by-laws, and appointed a committee to labor

"Andy, you ought to have your house insured. Let me write it up for you."

"My vat?"

"Your house insured—so if it burns down you get pay for it."

"You burn my house down if I don't pay for it?"

"No, no, I want to insure it so it won't burn down."

"Kreutz! — Himmel! — Sackerment! — Nochemal! Get out! I haf you arrested yet. Dots *my* house, versteh? *My* house. I don't want him to burn down once. *Du verfluchte Jude*, come 'round tell me my house burn down if I don't pay for it? I show you once I —"

But he didn't wait to be shown, even though he was a Missourian. Andy followed him up the street with a mixed shower of stones and curses, and remained a celebrity—the only man in town uninsured!

The leading hardware merchant was my neighbor and a crank on insurance, not that there was necessarily any connection between the two.

He had a Vesuvius policy twenty-odd years old, with twenty-odd renewal receipts, and thought this antiquated document better than any up-to-date policy. We used to drink a bottle of seltzer on a summer evening on my porch—of course I furnished the seltzer.

"John, I want a policy on your stock."

(I had told him so a hundred times, but he either wouldn't believe it, or didn't want to believe it).

"Jones, my boy, I can't quit the Vesuvius. There isn't another policy in Jay County as old as mine—"

"Did you ever study law?"

"No."

"Well, I have. Did you ever hear of the Statute of Limitations?"

"You bet I've heard of it! Old man Cowan knocked me out of a two hundred dollar note—Statute of Limitations."

"How much have you in the Vesuvius?"

"Five thousand."

"If old Cowan would plead the baby act for two hundred dollars, what could you expect

"Sure! I'll let you look it over, and since you're here you can tell me if it's all right."

Cold comfort this for a solicitor. I had worked him up, and Col. Tram had landed him.

Ten thousand! Fire, lightning and tornado, for five years. Premium four hundred dollars; ninety dollars in six months, and eighty a year in four annual installments. Notes good as wheat. The first probably already discounted, and Jones in the soup. Served him right. The next time he will not talk per cent to a farmer. Talk *money*. Eighty a year isn't much for ten thousand, and decreases as payment is postponed. No, as a farm solicitor Jones was a failure. I could tell an untruth sometimes, but not all the time. I charged my livery hire up to experience, issued a policy in payment, and abandoned that branch of the business. I didn't want to be classed with Col. Tram "nohow."

How easy it is to establish a habit, and how difficult to break it. As editor of the *Bazoo* no one ever thought of paying me *money*, and the

people expected to continue the custom with Jones the insurance agent.

Mrs. Wheat was proprietress of the local Millinery Emporium.

"Mrs. Wheat, I want a policy. You used to advertise with me. We ought to be represented on your stock. Can't I write you one for a thousand dollars?"

"Mrs. Jones used to buy her Easter hat of me too, and you paid for it in advertising. I've a beauty, Paris pattern, that would just suit her. Take it along with you. If she don't like it she can exchange it. Times are *so* hard and money is *so* scarce I have to give my insurance to my customers."

Now Matilda wasn't what you could call cranky or finicky, but I knew my idea and her idea of a hat too well to try to reconcile them, and some one of my companies lost a good risk.

There is room in this country for another line of banks. We have enough National, and too many State institutions. Their ideas on finance are too restricted. What we country

agents need is an exchange bank, where we can convert harness, agricultural implements, hardware, building material, etc., into New York Exchange. We can always use dry—and wet—goods and groceries. Or, as the insurance companies reserve the right to pay a loss in kind, why not give the Agent the privilege of paying the premium in kind? Such an institution would take in Podunk and Jay County like wildfire. I think it would be even more catching than a local mutual.

CHAPTER X

MEN I HAVE MET

I WAS clerking for the Old Agent when I saw the first special. I shall never forget him. He was one of the best specimens of his class; a man of substantial appearance, positive and forceful, but withal jolly and companionable; neither too quiet nor too loud, not a saint, but an all-around human being. Though I was not in love with the local business when I was a clerk, this particular special impressed me as occupying an enviable position.

Who was he? He has since left the field, but my notions of what a special should be were based on what he was. If I had his company I would make it a leader, and other agents evidently held similar views, for it was

always near the top of the column of State business.

The visit of a Manager was a rarity in Podunk. Our hotel wasn't the kind a Manager would choose to rest up in, nor the town important enough to justify expensive cultivation. But once one of mine called, and I confess that I was disappointed.

He was the one who wrote me long, fatherly letters; who closed two pages of correspondence on the likelihood of fire in a vacant dwelling, with two more pages, written cross-wise in horribly poor manuscript, explaining what he had previously dictated. He was so prolix and convoluted that he forgot the thread of his argnment before he got to the point. He was a living, moving, acting German sentence, with the verb missing. From his letters I had pictured him far past middle age, of a dreamy, philosophical turn of mind, with baggy trousers, and a silk hat of uncertain vintage. Well, he wasn't.

Had I known that he was only a couple of years older than I, dressed in modern fashion,

and that he talked and acted like one of my specials, I wouldn't have stood his lectures; I would have talked back. I never had any occasion to complain of him or his correspondence afterwards. He changed his agency.

One of my companies conducted a farm department; that is, it turned a lot of solicitors out to insure a farmer for twice the value of his property, and when the invited and expected happened, sent another man out to pay him half his loss. Yet it claimed there was no money in it, and actually abolished it a few years later. It seemed better than a faro bank, and there is money in faro—for the banker.

There was a loss in Jay County and the adjuster called upon me for information. He was a large, gruff, swaggering fellow, the kind of man you would like to whip if you had a claim in his hands. But you would be in doubt how to go at it, and, on reflection, would reconsider.

"Jones," in a Valentine Vox voice, omitting the Mr. though we were not intimate, "What do you know about Jarvis' loss at Poseyville?"

"Nothing."

"How far is it out?"

"Eighteen or twenty miles."

"All right, see you when I return."

But he didn't, though Jarvis did. Jarvis said he accused him of burning his house, threatened to have him arrested, frightened the children, told him the company was no good anyway, and offered him three hundred dollars for a thousand dollar policy.

"Did you accept?"

"Of course I did. A law suit wouldn't bring me much more if what he said was true. I think I'm in luck to have saved my life."

Jarvis was a member of the legislature in 1889, and do you know what he did? He lobbied for the valued policy bill and took revenge on the whole fraternity for the disreputable practices of a small, a very small, portion. Farm adjusters and professional appraisers were the authors, and though I believe the bill was not introduced over their names, it bears their imprint.

Col. Tram lived in Iowa, and only made incursions into Missouri at intervals. In some parts of the State the intervals were long, as the farmers were watching for him, and he wasn't anxious to meet them. The Colonel was one of the original farm solicitors, took pride in his work and never let any man with even a chicken coop escape.

Missouri barns were his specialty. Ever see one? Only a crib of rails, covered with straw, but they were every one of them good for a premium and a policy fee. The Colonel carried a portfolio like the assessor, and went about his business in a business-like way. Opened his book, took out an application, asked the farmer the questions he thought would not make him suspicious, and in a matter-of-fact manner, shoved the document over to him and said: "Sign!"

"What mought it be, stranger?"

"Statement that the questions you have answered are true to the best of your knowledge and belief. Are they?"

"They be."

"Then sign!"

Some of them wouldn't—some did and were sorry, for he was not modest, the Colonel wasn't, and the crops were often too short to buy groceries and pay his note too, so the grocer had to wait, as the Colonel's company wouldn't.

These were the good old times my countrymen, when my business card was equal to a patent of nobility in the country; when the insurance agent was greeted with expressions usually offered only to Deity—the same expressions, but with different inflections.

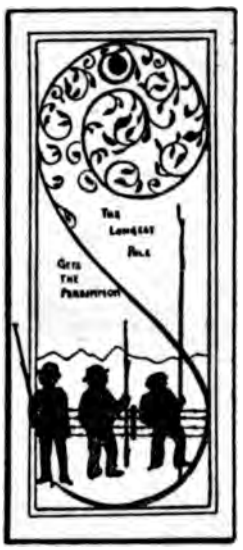
CHAPTER XI

LOCAL OBSERVATIONS

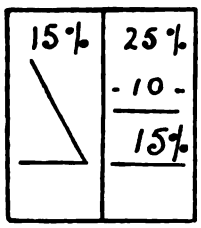
THOUGH Podunk was a small town, we had samples of nearly every variety of agent—especially the poor kinds. We had one who persistently cut the rates; more than one rebater, and a good many willing to trade insurance for anything, no matter what.

Now, there is a little excuse for a rate cutter, as he is generally a man who has no business to be an agent "nohow," cannot compete on equal terms, and it follows if he does any business at all it must be secured by special inducement. The railroads help out the weak, roundabout brother by giving him a differential, and our weak brother takes one, whether we give it or not.

I have often regretted my choice of such an unsatisfactory vocation, but from the statements of lumber dealers, railroad men, and others sim-

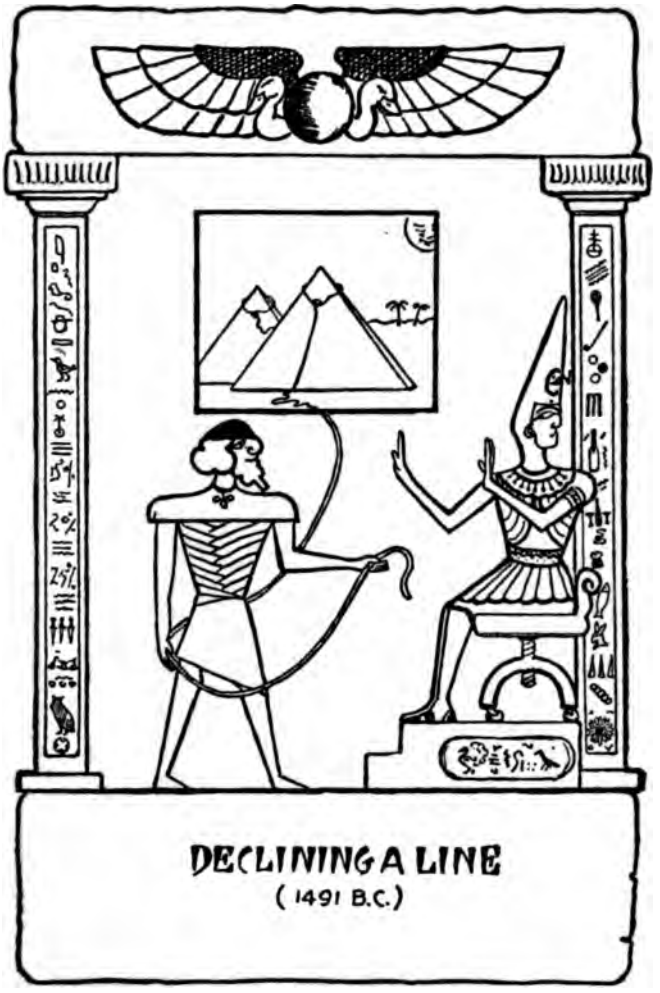


ilarly conditioned, I have learned that they have tariff annoyances equal to our own. There are rarely over half a dozen railroads competing on nominally equal terms and agreed rates for the business at a given point. Do they strictly adhere to published tariffs? Do the two competing lumbermen of the village execute their private agreements loyally? The number of competing companies and agencies being relatively much greater, is it strange that some of them should seek the advantage most easily obtained by underbidding their fellows?



The deadly parallel

But the rate cutter, bad as he is, does not approach the rebater in cussedness. One of the Podunk fraternity was especially noted for his liberality. He had an excess commission agency, and they always seem to run to rebates. Their income is so much greater than the average, that they think they can take the assured into partnership and still come out ahead, but they cannot. I never knew such an agency that lasted five years, but usually before one dies another is born. If they should all happen to die at the same


DECLINING A LINE
(1491 B.C.)

time, Podunk would be a pretty good agency point.

I never made any pretense to righteousness. I have applied all the ordinary methods of circumventing my neighbor, but I was never accused of the assininity of rebating my commission. No reputable company asks for business on such terms; no reputable agent solicits business on such terms; and no agent can expect to succeed if he loses his good repute and represents companies without repute. If suicide be evidence of insanity, business suicide is proof of imbecility. One is the end of life; the other of the living.

Nearly every agent has a hoodoo company, and so had I. Of the first seven risks I wrote for this company, six burned within the year, my other companies escaping. The business was of good quality, but the company was out of luck. Without investigation, I was considered the hoodoo, and the agency changed. As the manager shortly lost his position, and the special resigned, with a large overdraft, it is possible that the office needed a rabbit-foot more than the agent.

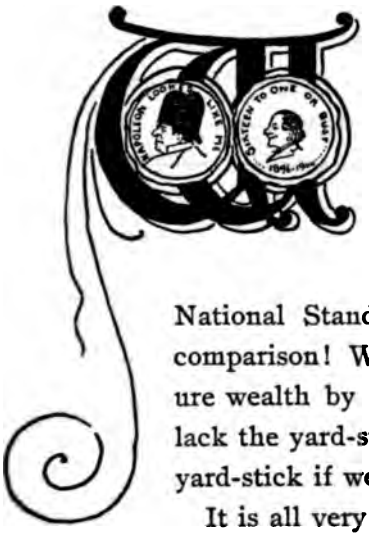
Another one of my companies had a manager whose vocabulary was limited to the two words—"Please cancel." I once sent him half a dozen dailies, five good brick risks and a frame hotel, a custom I am told much in vogue. His telegram and letter did not mention the bricks, but I supplied the omission. He cancelled his company out of half the agencies in the country, and wound up by having his own engagement cancelled. He remains an ex-manager, and though many years have intervened, the company has not recovered its lost prestige, and may never be a factor in the agency field, though its size, age and loss-paying ability are in its favor. The frame hotel still stands, a monument to ultra-conservatism.

Did you ever come in contact with the smart examiner? An agent cannot always distinguish between chronic dyspepsia, an acute night-off and a fool examiner, but he soon becomes familiar with the symptoms. The less the examiner knows about the business, the more foolish questions he asks, and his impertinent queries have queered

more agencies in an hour than a special can fix in a week. The cause, I suppose, is ignorance of the local business and local conditions. If the office staff could be recruited from the field, as the latter is from the agency force, there would be much less friction. The next best custom of sending the examiner to the field at every opportunity is recommended to managers, by a local agent, as a wise one.

CHAPTER XII

THE FINANCIAL PROBLEM

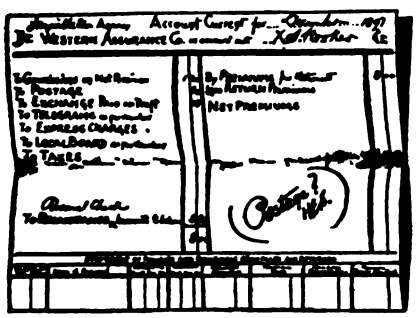


WHILE the city agent has his troubles and brokers (synonymous terms?) they are not comparable to his country brothers' worries, foremost among which is the financial problem. The National Standard labyrinth is simple in comparison! What matter whether we measure wealth by a gold or silver unit, if we lack the yard-stick? And of what use is a yard-stick if we have no cloth?

It is all very well for the General Agent to insist upon prompt remittances. Instant decapitation of a lame duck is also a good rule for a special, but, my grave and reverend seigneurs! have you ever sought the cause of his delinquency? Have you ever diagnosed the complaint?

And will you contribute your portion to the cure when the disease is located?

You give your agency to Tom, Dick or Harry; sometimes to all three. The business is all placed, the natural growth slow, but they must have premiums and cannot get them without offering some inducement. To meet their illegitimate competition the agent who has the business must demoralize his own customers, deplete his exchequer, and ruin his future prospects by meeting their offers. They promise to give unlimited time credit; to divide commission, or even to give away the whole of it to get the business on their books; to trade out the premiums as if ready to open a junk shop! They promise anything, having all to gain and nothing at stake, and unless your agent—who is always the best agent—is willing to sacrifice his income he loses, first his business, then his companies, and stands to lose his reputation, whichever horn of the dilemma impales him.



So long as present methods prevail, just so long will the delinquent be with us. Since the

principals are responsible for the excessive competition, multiple agencies, and the over-crowded field, it is but just that they should occasionally suffer; yet the loss by defalcation is infinitesimal, hardly a fraction of a percentage, and not half the amount absorbed by postage overcharges. This should be sufficient evidence of the agents' financial integrity, and I assert that nine-tenths of the shortages are the result of misfortune and not one-tenth of design.

The reason is easily assigned. The Local Agents are, as a class, superior men. There are exceptions, as previously intimated, and the marvel is that the rule and the exception have not changed places. It is a business requiring more brains than the weighing of sugar or the measuring of cloth, yet it does not yield a revenue equal to professional or mercantile pursuits. The intelligent, tenacious energy required to build up a local business would earn fame if applied to the arts or sciences; reputation in the professions, and wealth in barter. Few agents secure even a modest competence, none get rich, and most must be content with a bare living. What charm attracts and

retains them? The only reward for exceptional ability is the doubtful promotion to a special agency, a change from independence to dependence, from the comforts of home to the discomforts of travel.

Note by the Editor: Mr. B. P. Sadlord, a well known Denver agent, has made a study of the unequal division of premiums between the companies and the agents, with the following conclusions:

"A successful agent must be one of the best fellows on earth; has to be with the people, and is expected to keep his end up on all occasions. A charity fund is prospected; the Local is leading and circulating. An enterprise connected with the welfare of the town finds the Local on the committee and one of the shining lights. If he is not a member of all clubs, he is not in it. In church work he is a leader, song singer and contributor. If a customer has friends in trouble, he goes to this same Local for assistance, which is never refused.

"As a pall-bearer he is always in demand. At the theater, prize fight, and political meeting,

he always has a front seat; and thus he goes on. In all cases the companies get the benefit. But let him get into trouble; do the companies pat him on the back, think of his past record or the amount of money he has made for them by his efforts? No. A special is immediately put in possession of the facts; a settlement is required; the Local's friends, relatives or bondsmen are called upon, and if the companies don't get their money the Local goes in the jug. That is business. The Local has customers who have done business with him for a number of years. Some of them, unfortunately, get into trouble; the Local extends credit, and loses. Do the companies? Not on your life! There are many other samples of the Local's trials and tribulations that could be given, but are these not enough? Anyhow they show that the business is too much for the $ standard on the companies' side."

Chapter XIII

THE AMERICAN AGENCY SYSTEM

OUR system of voting is named the Australian ballot probably because it originated in Canada. Our Agency System is known as the American, possibly because no other country is willing to father it. Many years ago, the name described it fairly well. There was a time when an agent was all that his Commission described him, but that is ancient history. In the golden age, he selected his risks, reported his acceptances monthly, sent his principal a bordereau and account, and was responsible for the form and details. Good men were in demand, and only the best of the good ones were employed. That was before the telegraph and telephone made Chicago a suburb of New York.

The progress and development of forty years have intervened, and though the skeleton still exists, the heart is dead. One by one the ancient prerogatives of the agent have been absorbed by the official, until the former is but a vehicle for the delivery of the policy and the collection of the premium. Judgment is eliminated; responsibility, respectability, familiarity with the local credit and position of insurers—are all sacrificed. Policy forms, riders, clauses, mandatory rules, are prescribed by the office. Who and what made a broker of him? Who is responsible for the passing of the agent?

The passing? He has passed! The shadow only remains, a poor photograph of the original. The manager or general agent has assumed his labors, arrogated his judgment, usurped his prerogatives. From maps, diagrams, ratings, fire records, mercantile agencies, inspection bureaus, he attempts to supply the lack of local and personal knowledge. The one time agent offers him a line on behalf of the assured. His responsibility ceases when the copy is mailed. His clerical function is ended. His interest in the

risk is gone until it expires—he is not even a broker.

What will the harvest be? The crop will be a manifold reproduction of the seed. The next planting? Already there are evidences of a tendency to localize the general agent—substitute salary for commission, employees for solicitors, and exclusive representation for the so-called American Agency System. With co-operative special work, co-operative adjustments, co-operative inspections in perspective, even the special agency system is in danger. As we approach European conditions, we adopt European methods. The Golden Age is turned to steel. The wheel is broken at the cistern.

Note by the Editor:—

The following metrical grumble is contributed by a far Western local, who is still ground down by the iron heel of the Compact. When the legislature of his State follows Missouri's lead and emancipates him, will he be any happier?

I have been a local agent, let me see; since '62.
You may call me an old fogy, and in some respects that's true.
I'll not discard old ideas just to take up something new,
When the old ones suit my notions.

I can recollect the day
When the business was conducted in a very different way,
And I venture the assertion, contradict it if you can
That the old way was the better. Time was once, when every man
Could not be a local agent; brains were a *sine qua non;*
Special training was required; but these times are past and gone.
Now the forces are recruited from the rag-tag and bob-tail
Of all business and professions.
Ruined merchants; men who fail,
From their faults or their misfortunes, chiefly men past middle age,
Take insurance for a Mecca—and begin a pilgrimage.

The agent's an automaton, can neither think
nor will;
With duties purely clerical. Once judgment,
sense and skill
Were prerequisites for agents. Now the bureau's
hired-man
Makes our rates with square and compass on a
geometric plan.
Everything is done by schedule, a defective
schedule too,
That rates reputable merchants same as a dis-
honest Jew
If construction and exposure happen to be just
the same.
Should not reputation, standing, and a good or
a bad name
Be considered in the rating? Mandatory forms
as well,
Clauses, riders, regulations, more of them than
I can tell
Cut and dried for our consumption.

If the present system lasts
Agents will not long be needed—their days now
are nearly passed.

Canvassers are their successors—book agents and fruit tree men

Ought to reap a golden harvest when the era's ushered in.

When all these new-fangled notions have been tried, and cast aside,

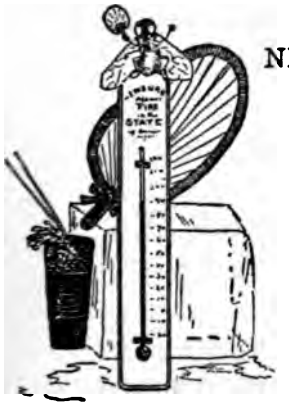
Other systems just as useless will be trotted out and tried,

Until, from experimenting, the whole fabric may collapse,

Then we old style fellows will be in demand again—perhaps.

CHAPTER XIV

A MESSAGE FROM THE FAR WEST



ONE hot summer afternoon I was half dozing in the office, dreamily listening to the buzz of the flies in the windows, when who should enter but P. V. Wisdom, an old acquaintance I hadn't seen for years; in fact, I had lost track of him entirely. His intimates called him "Purely Virtuous" for short.

"How are you, P. V.? I hav'nt seen you nor heard from you for ages. Give an account of yourself."

"Been to Californy for the last three years."

"Fine climate they tell me. What have you been doing? Home on a visit? Did you get rich?"

"I'm back to Missoury for good and all. Got enough climate to do me the rest of my life,

and that's all I did get—except left—cleaned out. See you have quit the newspaper business and are in insurance. You still have my sympathy."

"What did you follow out West?"

"Followed the other fellow's trail 'bout as you do I reckon: was an insurance agent."

"We don't hear much in Podunk about the rest of the world. Business out there about the same as here?"

"The same? I should say it wasn't. You think you have troubles here? No more'n heat rash to small-pox."

This was years ago. If P. V. were a contemporary, he might change his comparison—reverse it even. At this point a few of my associate agents had dropped in, and after the usual greetings and introductions, he continued:

"In the first place there's mighty few what you'd call real agents in Californy. Most of 'em are only subs. Policies are written in San Francisco, and all an agent has to do is to make out a daily in pencil, fire it in, and back comes the policy. Office in his hat and pocket. It isn't a bad scheme, as it saves rent and clerks

and lots of expense, but it was a come-down for me. About all a fellow needs to know is how to get a risk, so pretty near every man that has one or can get one is an agent, and it makes pickin' mighty slim, I tell you."

"How are rates and commissions?"

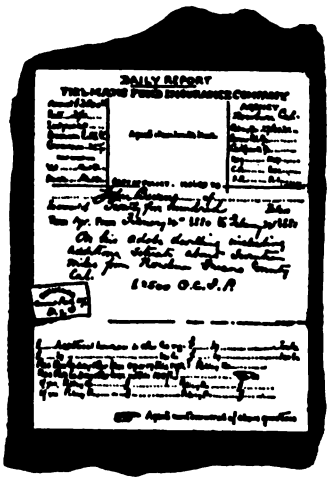
"Both 'way up; that is, rates is if they don't cut 'em, and commissions ain't if they wouldn't raise 'em—but they do."

"Any local boards out there?"

"No room for 'em. There's one big compact, covers the whole coast. They call it the P. I. U. They don't take any chances on honesty. Have a lot of clerks and stamp and check the daily, and if it isn't just right, they fire it back to you for correction."

"Then there isn't any chance to cut a rate?"

"There isn't? Why, the rates are made to be cut, and they're big enough to stand a good deep cut, too. You see, some company always wants the inside track, and it's easy to make arrangements to send in rebates that don't get stamped. Then another company finds it isn't in it, and goes one better by passin' rebates and



coughin' up commission too. Oh, if there's anything the agents out there are not on to I never heard of it."

"This is very interesting, Mr. Wisdom," said the Campbellite preacher, who was an attentive listener, "how are the rates made?"

"They call him a surveyor, and he belongs to the compact. Just makes 'em to suit himself. Prints 'em, then tackles another town. They've got rate-making down fine, but they don't seem to be able to stick to 'em, that's the trouble."

"We haven't any difficulty here on that score, have we, parson?" said I; whereat, though it wasn't funny, everybody laughed. It takes so little to amuse good humored people.

"How are they on remittances?" asked the Kansas Boomer, who, being a chronic, is most interested in the subject nearest his heart.

"Oh, they're easy. You don't have to remit till you collect, and if you never collect you never remit. Mark it off to profit and loss or something or other. Trouble is, you lose your commission if it's never paid."

The Boomer sighed a deep sigh. If it hadn't been for the railroad fare, I'm satisfied he would have gone to California instead of Arkansaw. It was an ideal land, a land of promise—to pay.

When the visitor was gone, and we had time to think it over, not one of us, the Boomer excepted, was anxious to emigrate. The ills we have may be hard to bear, but there are worse. The limit has never been found.

Since then there has been a change for the better in California, while Missouri is going from bad to worse all along the line; the trial by fire has had a good effect on the Coast. Many of the old abuses have been abolished. Rates are down, commissions are down, expenses are down. If Wisdom had an agency there now, he might be happy yet; but he stayed in Missouri and never returned.

Chapter XV

A VISIT TO TEXAS

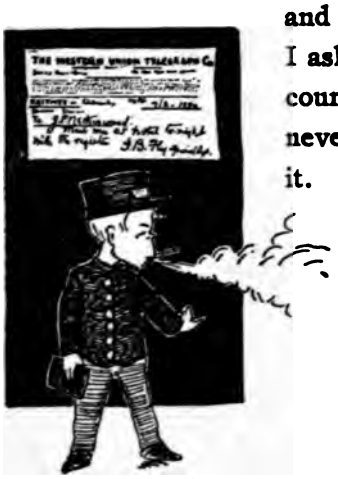
WHEN I was an editor and had little use for them, I had annual passes on all the railroads, in exchange for advertising. When I wanted and needed transportation as an insurance agent, I could not get it. Thus what we do not want comes easily, and what we need is hard to get. Matilda had relatives in Cleburne, Texas, and took a notion she wanted to visit them, and when a woman gets an idea into her head, nothing is impossible; even poverty is not an unsurmountable barrier. After a deal of begging and wire-pulling I secured trip passes and gratified her wish.

Wisdom's tale was proof that the companies varied their methods and practices according to locality. In my inexperience I had supposed,

being under one management, that all the States were a good deal alike; but I had changed my opinion and expected to learn something new in Texas. For once, the expected happened. If California was wide open, Texas was at the other extreme, and I was more satisfied than ever to stick to Podunk after my trip south.

In the first place, there were only two or three agents in Cleburne, which was good for the two or three that had the companies, and they were pretty good men, for Texas, as far as I could judge. The one that had most of the companies, Netherwood, I think, was the name he had assumed, was suspected of having a record. Some said his graveyard had three occupants, some said more; but he was as mild mannered, quiet and pleasant as the Methodist preacher at Podunk.

I soon got acquainted with him, and one day while I was loafing in his office he got a telegram, and as soon as he had read it, he began to swear. I asked him what the trouble was, supposing, of course, it was an order to cancel a policy, as I never received a telegram with anything else in it. He handed it to me and I read: "Meet me

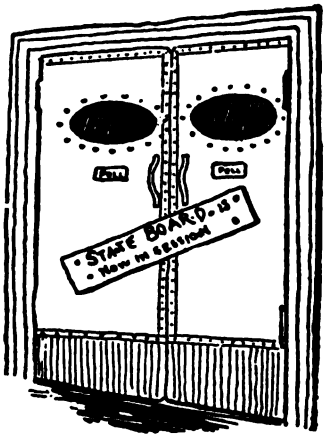


at hotel to-night with the register," signed somebody, a special agent. I did not see anything to swear about, but Netherwood, the agent, did. I handed it back to him, said as much, and he gave me some information, about as follows:

"It's his cussed impudence that riles me. In this Godforsaken town the specials, and the companies too, seem to think they have an overdue mortgage on the earth, with a right to foreclose any day. We have to beg its pardon for living. The smart-Alec specials travel in couples, or quartettes, work the society racket, play poker all night, and don't consider a local any more than they would a dog. Whistle to us and if we don't run there's the devil to pay."

"There must be a cause—what is it? They're sweeping the streets for agents and business up in Missouri."

"O, the reason is all right, I suppose. They don't make any money, and are independent, damned independent. The State Board is a close corporation, they all pull together, and if a fellow tries to play one against the other they always catch him at it. I'd like to be in business in



AUTHORITY
(small dog in the distance)
"I'd like to be the Big Dog awhile myself"

some town where there wasn't any fires, or where there wasn't so many. I'd like to be the big dog awhile myself."

While the Texas way had some advantages, I would rather suffer a little from too much competition than to be under so much restraint. It is more consoling to the pride to have the special cultivate me, than for me to cultivate him. I do not know whether the whole State was like Cleburne or not; if it was, the companies had a warm time, for there was a fire nearly every day. The agents were almost as independent as the companies, and would not deliver a policy until the premium was paid, another point where they had the advantage of Podunk. But take it altogether, Missouri suited me better than Texas.

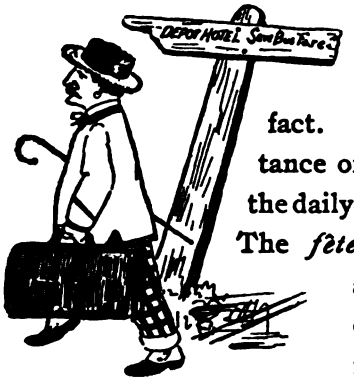
Part II

The Special Agent

Realization

CHAPTER I

INTRODUCES THE SPECIAL



THE life of a country agent is monotonous and matter-of-fact. I cannot, even from the distance of a quarter of a century, crown the daily routine with a halo of romance. The *fête* days were marked by the arrival of some special, but even these sometimes ended in mourning because of the sudden demand for an overdue account. Thus pleasure and pain march through our lives, hand in hand; we never know when the smile may hide a tear, when joy may end in sadness.

The business being limited, I had many hours of enforced idleness. During these intervals my thoughts were not always as quiescent as my limbs, and fancy explored regions beyond the boundaries of Podunk. Shortly after I had learned to write a dwelling house form that was not returned

for correction, ambition—despite the warning of Cæsar's fate—whispered Special Agency in my ear. My abilities should not be confined to the narrow limits of Jay County even, and the more I considered the attractions of a fixed salary and an expense account, the more alluring they grew.

I had met many kinds of Specials, and despite my fund of native modesty, which had been augmented by my newspaper experience, I felt equal to the apparent labor required. The usual methods of cultivat-

vating the agent were especially attractive. Have a cigar? Take lunch with me? Want to go to the theater to-night? What'll you take? interspersed with an up-to-date collection of road stories did not seem difficult as long as Jones didn't have to pay the freight.

As soon as my fellow-sufferers at Podunk understood that I was a candidate, they all recommended me. I never considered it judicious to analyze motives too closely. A good action frequently serves a selfish end, as in this instance.

Like Joseph's brethren, they expected to divide my raiment as soon as I was out of the way. The preachers were especially solicitous, as they were the natural residuary legatees of my best custom.

To the country local, who would be a Special, a word of advice. If you cannot see your way to the end by working some company, try general cussedness. Make it so warm for the business that they will all want you removed, and consequently work for your removal. If you are intelligently active, some company may hear of you and employ you upon general principles.

My insurance godfather was a Special of long experience and had the usual aversion to country town agencies. He considered he was squandering too much of his time and abilities upon them, and induced the manager of the Cataract to permit him to employ an assistant. Accident and the recommendation of a good friend—a local of course—directed his attention to me, and as a result I was turned out to graze upon the high grass localities. I traded my agency for a promissory note; became surety for my successor and paid his indebtedness to the companies thereunder in due time. With

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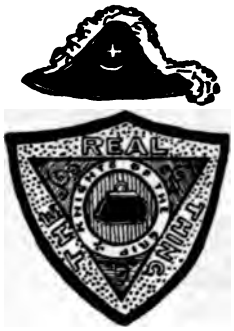


high hopes I was immediately transformed into a knight of as large a grip as an inexperienced traveler ever carried. All that remained of my local agency was the promissory note (I have it yet), and some experience as a solicitor that promised to boom the Cataract's business in the country agencies of Missouri and Kansas.

My income was doubled. When the exhilaration incident to promotion had disappeared and I could give my finances close attention, I found my expenses had increased in still greater proportion; instead of making money, the Special was poorer than the local. This was a condition at variance with all my theories, and subsequent attempts at reconciliation have failed. With every increase in salary there has been a corresponding growth in expenditures. The surplus of the employe as well as of the Company, depends more upon the outgo than the income.

CHAPTER II

THE NEW MAN

USE your judgment. You will find out what is necessary to be done when you get there," was all the instruction Goodword ever gave me, which, at the time, seemed to me rather attenuated advice. After ten years' experience on the road I have altered my opinion. Judgment is the one necessity—of men, of things, of time, of place; whom to select and when, how and where to approach him. A hundred Specials can name the best man; ten can get into his agency, but only two or three can get his business. It follows that the remainder must appoint second or tenth choice, or get second or tenth choice of business; sometimes both.

My difficulties commenced as soon as my new connection was announced. Feminine like,

Matilda Jones had her notions of the marriage contract, and was not pleased with the new arrangement. As her opposition could not be attributed to jealousy, it was probably due to a distorted imagination. Whatever the cause (and I do not pretend to analyze female humors or forebodings), she objected to a traveling husband. I conquered at the first bout, but I had to fight the battle anew every trip. Matilda wouldn't stay conquered, which I am told is one of the peculiarities of the sex.

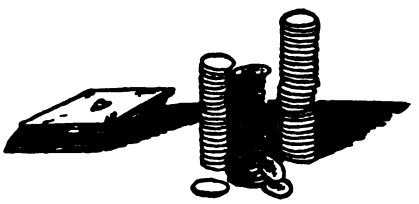
To the new, all things are new. New suit, new business cards, and new valise, twice as large as necessary. Like fresh paint every one touched me to test the truth of the sign, found me adhesive and passed me up. I was asked for authorizations on prohibited risks; to solve conundrums that would stump the undauntable Sexton. My judgment was solicited on frame range rates, and applauded only when I advised a reduction. I was asked more questions in a month than the dean of the corps could answer correctly in a year. At first I wired for instructions, but as the reply was invariably, "Use your judgment," I soon

learned to imitate my associates; that is, I looked wise, filtered wisdom through platitudinous meshes, and never admitted there was anything connected with the business that I could not master.

Nor did my troubles end with the locals. While there is not as much *esprit de corps* among Specials as in the military or trades unions, it still exists. It was manifested by personal actions, varied by personal views, but present and apparent. I was considered a local, not an agent of a companion Special, consequently an interloper, and treated accordingly. There were exceptions, and they occurred among the older field men, who welcomed me to their ranks, encouraged me by advice, and laid the foundations of friendships that have continued uninterruptedly to the present time. While jokes and quips at the expense of a greenhorn may tickle the perpetrators, the amusement does not counterbalance the loss of dignity. The greenest timber is seasoned by time and the elements, but the scar of the woodman's axe is never effaced.

One of the difficulties of an inexperienced man is his expense account. I have rarely heard

a Special whose education was finished, complain of his inability to strike a balance, but the neophyte must learn this by practice as he learns penny ante (an acquisition indispensable in some fields). They are convoluted, and the mastery of one presupposes acquaintance with the other. Billiards, cigars, entertainments, and numerous similar items are a serious drain upon the salary of the new man, as their connection with the hotel bill is not apparent to the unassisted sight. In a few months he acquires a mysterious occult vision, and sees things he never dreamed of before.



CHAPTER III

THE STATE BOARD

GOODWORD, who had been responsible for me up to this time, crowned his work by introducing me at the first meeting of the State Board. I paid my tuition, signed the Constitution, became a full-fledged member of the guild, and was made chairman of the rating committee of the Twenty-ninth Congressional District, which included Podunk within its boundaries. I never knew why our divisions were made upon political lines, but presumably it was because it created enough districts to go around and thus prevented jealousies. I was so proud of my rapid recognition that for six months I gave quite as much time to board work as to the Cataract's business. Jones was

GOODWORD

THE OPTIMIST

getting his education, as usual, at the Company's expense.

One of my first observations at the meeting of the State Board was the importance of Podunk. It was used to point a moral or adorn a tale; held up as a horrible example, or cited as a model. Whenever they ran short of subjects to cuss or discuss, Podunk was whistled for, and like a sailor's breeze, carried the meeting along under full sail.

How short is an insurance generation. While a few patriarchs survive, most of us are of few days and full of trouble. The then President and Secretary of the State Board, Alf. Bennett and Herb. Low, have both long since passed from the scene, and been forgotten by all but the old guard. Even the old guard has been reduced by death, retirement and promotion until less than half a dozen survive.

We had no jurisdiction over the large cities. St. Joe was the limit, and even she disputed our authority to interfere with her scraps; but the smaller cities and towns were kept well in hand, necessitating frequent committee visits, a good deal of work, and not a little diplomacy. The

agents all had an axe to grind, and wanted us to turn the stone; but generally the rates we promulgated were equitable and satisfactory to both agents and policy buyers.

No better training school for a Special could be imagined. He became familiar with the construction of the towns and the standing of the principal business men; acquainted with all the agents, and an expert upon rates and rate making, as then understood. I have done a little board work in several Western States, and regret that the same curriculum is not open to the young man of the present generation. It improved both the man and the business. The time was well spent, and the results quite as satisfactory under the old system as under the present one, while less provocation was furnished for restrictive legislation. There were no compacts to abolish.

One of the reasons why I am an earnest advocate of field men's associations is the excellent resultant co-operation. It is quite easy for the managers to assure each other of their hearty co-operation and just as easy to forget the assurance until the subject is gray-whiskered. They not only can wear out the complaint with delay, but they have done so, and have been suspected of designedly evading their obligations.

The field man cannot afford to do this. He is in constant contact with his associates, and, if he establishes a reputation of this character, it reacts upon his business. Some one of his agents is met every day by some one of the boys, and even without any preconcerted plan, how natural it is to greet the local with such deprecatory remarks as these, when they see the sign on the wall:

"Oh, you are the agent for the Eastern, are you?"

"I didn't know you represented the Eastern."

"Whatever induced you to take the Eastern agency?"

"Well, I didn't suppose you would represent the Eastern."

Such remarks and innuendoes, shrugs and winks to each other, cause an agent to think, and neither increase the popularity of a company nor help its business. The punishment is so swift and sure that many recalcitrants have seen a new light, and changed their methods from necessity.

CHAPTER IV

A DELINQUENT AGENT

NO more disagreeable work is assigned to a Special than the collection of delinquent balances. The agency book showed for Circleville, January business, $46.00; February, $92.00; March, $18.00. I found an agent whom I thought would be a business-getter early in January, and was patting myself on the back when I got a letter from the office. 'Twas ever thus. I never congratulated myself upon being devilish cute but something turned up to dampen my ardor. This is the letter:

"CHICAGO, April 20, 1884.

NAT H. JONES, S. A., PODUNK, MO.,

DEAR SIR: Agent I. M. Pudent at Circleville returns our draft for January, balance $38.60, with a memorandum by the bank 'no attention.' He owes us in addition $77.45 on February account, now overdue, and fails to cancel policy 5018, covering on a second-hand stock, premium $18.00 in March, which

we have repeatedly asked him to take up. He appears to be an undesirable agent, and when you appoint his successor please take more care in your selection. Please give the matter your attention at first opportunity, and oblige,

Yours truly,

S. I. SWARTWOOD,

Manager.

This was cheerful news, but I made the best of it, and started for Circleville at once. I found Pudent in his office with his feet on the table and sucking at a cob pipe filled with long green.

"Hello, Jones," he said, indolently untangling his feet. "Wasn't looking for you again so soon. What's up?"

"I got a letter from the office about January balance, and as I was going to Sedalia anyway, I stopped off to see what was the matter."

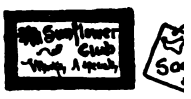
"I never have paid and never will pay a sight draft, that's what's the matter," bristling up like a cat at a strange dog in the yard.

"All right, then, as I am here you can fix it with me, and you had better include February in the check while you are at it."

"If you get it before I do, let me know, will you?"

Human nature can endure many things more patiently than impudence. I was six feet at sixteen and wasn't any less at thirty, and when I got through with him he tied up our supplies nicely, dusted the sign, borrowed the January balance from somebody, and cancelled the February and March policies. This was the second time my early education was adapted to the business.

This was an extreme case. I have often assisted the agent to raise the money, have visited relatives in the country, driven fifty miles to see an old friend who might lend, have found money for chattel loans, and once was a bar-keep in a Kansas joint until the till relieved the local stringency. This was also an extreme case. When coaxing, cajoling and soft words are ineffective; when the sureties are stubborn; when all ordinary efforts fail, the prison is pictured in all its horrors, and when threats avail not, they are executed, though fortunately such measures are rarely necessary.



Some day when the business is reduced to an exact science, all the annoyances will be eliminated. Then the Special will not grumble—there

will be no Specials. The adjuster will not complain—there will be no adjusters. The manager will not lose his temper—there will be no managers. Only good agents and happy shareholders in Utopia.

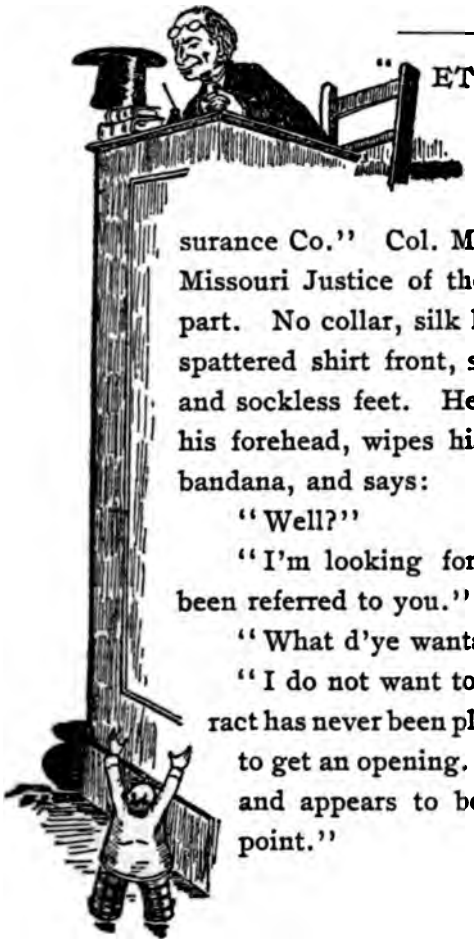
We are sailing for Utopia, across the unknown seas;
The rudder's gone, the masts are down, the skipper's ill at ease;
He has lost his charts and compass, and the navigator's ill,
The scurvy crew is mutinous and threatens to rebel.
With breakers port and starboard and rocks on every hand,
We've lost our course and reckoning, and almost lost our sand.

We are sailing for Utopia, the region of the blest,
Where the wicked cease from troubling, and the weary are at rest;
Where there are no legislators—no taxes to be paid;
Where political examiners have never made a raid;
Where dividends are guaranteed—and premiums abound;
Large, fat and juicy premiums, enough to go around.

We are sailing for Utopia—if ever we arrive,
How many of the middlemen, the voyage will survive?
Where every one is honest, no necessity occurs
For adjusters, special agents, or even managers.
Though present ills are hard to bear, there may be worse in store.
Shall we stand by the derelict, or jump, and swim ashore?

CHAPTER V

PLANTING AN AGENCY IN MISSOURI



"LET me introduce myself, Col. Moore; I am Jones, Special Agent of the Cataract Insurance Co." Col. Moore, who is a North Missouri Justice of the Peace, portrays his part. No collar, silk hat of uncertain date, spattered shirt front, short, baggy trousers, and sockless feet. He pushes his specs to his forehead, wipes his watery eyes with a bandana, and says:

"Well?"

"I'm looking for an agent and have been referred to you."

"What d'ye wanta change fer?"

"I do not want to change. The Cataract has never been planted here, and I wish to get an opening. The town is growing and appears to be a desirable agency point."

"'Umph See here young man, I've got more companies 'n I can use. They 'es more companies 'n risks here now, an' more agents too. I couldn't do nothin' fer you nohow."

Drops his spectacles, takes a fresh chew, coolly turns his back, and considers the interview ended.

By kind permission of the Louvre Paris

By Van Dyck

"Mr. Smartweed, my name is Jones, Special agent of the Cataract Insurance Co. I am looking for an agent, and you are recommended."

Smartweed runs the local paper, and when the horse bill season is ended, practices insurance to help out.

"Hello! Jones of the *Podunk Bazoo?* Met you at Jefferson in '80 at the State Editorial Convention. Don't you remember me?"

Of course I remembered him, now he mentioned it, but hadn't he changed his appearance? No, same old Smartweed. Wasted an hour on reminiscences—found he only wrote his own plant (chattel mortgaged), but if I would be satisfied with half of it, he would take us in. Would like to do business with an old acquaintance, etc., etc.

My next call was upon Mr. Chitty, in Blackstone & Kent's office. I had had an application from him a couple of months before. He was a student and expected to be admitted to the bar next spring. Found eight glass signs on the walls and half a dozen tin ones on the stairway. Usual preliminaries. Of course he would take the Cataract. Said he:

"I intend to have the largest agency in town. I have nine or ten companies now, and if I can get the Home and the Aetna and the Phœnix and a few more, I will do all the business in town. They'll have to come to me if I once get them corralled."

In the two months he had issued three or four $200 dwelling policies, but his expectations were too great. We might want each other, but we didn't need one another.

"Mr. Hardcase in?"

A sour visaged, dyspeptic little man acknowledged that he was in. Wasn't in the insurance business for his health. Rates were too high any way. What commissions could we pay? No,

wasn't any money in the business at fifteen per cent. *His* signs were not displayed. From a list I found that he had all the notorious rate cutting and excess commission companies in the State. As I couldn't get a fifteen per cent agreement from him in any event, he was barred, even if he wanted the Cataract—but he didn't.

A day wasted for I was whitewashed. Should I stay over and try it again? I had seen every man who had companies, and must look up a new man if I got in at all. Yes; it was better to have my supplies there for the next visit; it was easier to change an agency than to plant a new company. A dead agency was better than none. After supper I met the County Clerk, and persuaded him to accept the great distinction I was ready to confer. He did, and may be agent yet for all I know. I never had to collect a balance from him while I was with the Cataract, for his page on the agency book was never marred by a figure.

This is a sample day's work. If you find a man who wants you, take care. If you investi-

gate, you will probably find you do not want *him*. There were a few towns in the Southeast where companies were in demand. They swelled both columns in the State reports, but the larger figures were in the second column. Where I could get business the company didn't want it, and where I couldn't get it, the manager was always hungry —*so geht es in die Welt*.

CHAPTER VI

INSPECTIONS

THERE are many instruction books on the market, and I have no intention of increasing the number, so instead of telling how inspections should be made, I shall confine myself to telling how they are made, without recommendation. These are my Mémoires, not my confessions, and I decline to assume personal responsibility for common practices.

First, the easiest and most common is known as the office, or register inspection. If the examiner has sent out the blank slips, so much the better, as a Special's time is too valuable to waste upon clerical work. This is the kind of inspection that pleases the local and the assured, and is very popular.

Second on the list is the car-window and map inspection, especially used for soap factories, glue factories, fertilizing works, pork packing establishments, and similar nasty malodorous things. What is the use of upsetting the stomach, soiling the clothes, and wearying the body, only to learn that they are dirty? That is known already. Who can tell when or where a fire will originate, or where or when it will stop? Not one of us. The inference is plain.

The third variety is the sidewalk inspection. If combined with the alley, up one and down the other, it is quite effective for frame range business. The exposures and stovepipes are all noted, and the slips O. K.'d with a clear conscience.

We have been gradually approaching the risk, and have reached the fourth, known as the inside inspection, chiefly made by the younger members of the fraternity. It has its advocates.

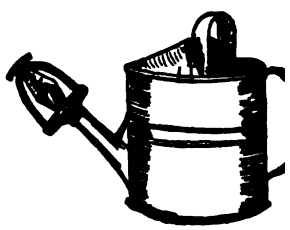
Memo. The desirability of a clothing stock may depend as much upon the size and shape of the nose as upon the amount of insurance carried, or the name; yea, more, as it is fashionable to

change or anglicize the name until the identity of the Pole is submerged.

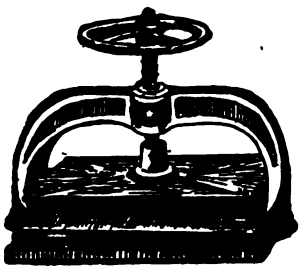
Memo. Always inspect millinery lines closely, as I have seen prettier things in some millinery stores, than the last summer's hats in the display windows.

Memo. Saloons and liquor stocks are best inspected by sample. The early part of the day recommended; they might burn before night.

Nearly all field men would be considered sprinkler experts, though the knowledge of most of them ends with the "double line on risks equipped with approved sprinklers." I cannot withhold a word of advice. Subscribe for *Once Upon A Time*, whose editor knows more about Western sprinklers than the mill mutuals—more than the inventor thought he knew. Sample copy sent to any name and address upon application.



There is yet another method in use. If you know as little as I do about some of the modern technical hazards, use some other fellow's inspection, copy it, and send it in as your own. His judgment may not be infallible, but it is better than none.



I always retained a duplicate of all inspections, and found it a great comfort in time of trouble. Every time I visited Adair, I could gaze upon the old frame flour mill I had cancelled off five years ago; note the frame range marked K. O. (a paraphrase of O. K.), that had persistently refused to burn; turn from the press reports in the morning paper to my duplicate slip, and see how little my judgment was really worth. It was also convenient on a request for re-inspection, as memory is often treacherous, and a Special gets tripped up often enough unavoidably, without setting pitfalls for himself.

Possibly two or three times in a century, a risk I cancelled would burn. Oh, the delight. Then Jones patted himself on the head, joshed the agent who had made a row over it, and wrote his manager a congratulatory letter, offering a good opening for the compliments of the season. Did they shower in? Every Special can answer from his own experience.

I was once asked to inspect a dozen farm risks at a small Missouri agency, and when I inquired

of the agent where they were, and how I should lay out my route to reach them easiest, he said:

"You'll waste your time. You can't possibly have a loss, as there isn't anything there to burn."

"How is that?"

"I'll tell you. A loan agent has his office next door, and, as his loan company will not lend on unimproved farms he sends a policy along with the loan papers, and I furnish the policies. Don't you think it is good business? Just like finding money?"

What would you do under such circumstances? So did I, and I have never regretted my action.

St. Louis business had been burning—as usual—and the manager sent me there to inspect *all* our business, probably supposing this would charm our sorrows away. I had worked my legs hard for two months and had seen all our risks but one—a $2,500 line on stock for the Ruth Pipe Company. Weary and jaded at the close of the day,

I halted at No. 423-425 S. Main, with my last slip reached, saw the signs by the doorway, entered, looked around and said:

"You make metal piping here?"

The workman nearest me coincided and continued his labor, while I inspected the stock; with a deep sigh of relief and a clear conscience I marked the slip—"Metal worker—Mfrs. Sheet and Metal Piping—O. K. Jones."

Three months later I was on my usual first-of-the-year visit to the head office. After the customary greetings to the staff, the manager called me to his private office, set up the cigars, complimented me on the satisfactory results of the past year (this was unusual), and said:

"Mr. Jones, did you personally inspect all our St. Louis risks?"

"Certainly. I never put in two months of harder work."

Well! By the Holy Poker!!

"Did you inspect the Ruth Pipe Co. line?"

"Why, yes. I remember it well. It was the last risk I looked at."

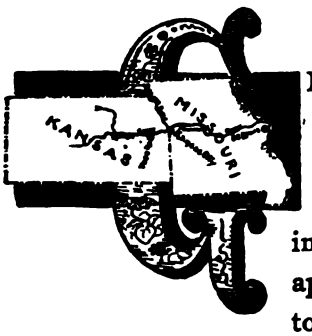
"Well, Jones, I know you wouldn't make a false report, but I have it on good information that

this was a cob-pipe factory. The risk has since burned, and Mr. Kellner, the adjuster, evidently labored under the same impression, for he allowed their claim on a stock of cob pipes. You can't both be right—one of you must have made a mistake."

My explanation was probably satisfactory, for I am still on the Cataract's force. When other kinds fail, honesty is good policy.

CHAPTER VII

CHANGING AN AGENCY IN KANSAS



GEOGRAPHICALLY, an imaginary line only separates Missouri from Kansas. Morally, politically, and, I may say, in intellectual structure, they are far apart. *Ante bellum* antipathies to some extent, survive in the descendants of the original slave-holder on one side, and the abolitionist on the other. While the ex-confederate was the prominent citizen, and inferentially the leading agent in Missouri, the one-armed or one-legged Union soldier was his prototype in Kansas. Time has effaced some of the old rancor, and is rapidly exterminating both species. Veterans of the Civil War are now rarely met in active business, but they were abundant in the early eighties.

My agent, the town constable, had defaulted. His friends made good his shortage, but were not

kind enough to select his successor. I looked over the ground and found the following men in the business: Carl Weiskopf, Ole Johnson and Major Hunter, leading agents; Judge Morrow and D. R. A. Lane close seconds, with the usual number hanging on the skirts of the business—one or two company fellows, unlikely material to work upon.

Weiskopf was teller in a local bank. I thought I would approach him properly, as much depends upon the first impression you make.

"*Erlauben Sie, Herr Weiskopf?*"

"That is my name. What can I do for you?"

A peculiarity of the German-American or American-German, is his apparent inability to speak his mother tongue. He nearly always answers a German query in English, or, perhaps my Dutch was too much for him? As he was evidently ashamed of his nationality, I ceased to be his *Landsmann* at once.

"I am looking for an agent, have you room for another company? A liberal writer, first class, old and well-established, the Cataract."

"Liberal writer? What do you write?"

"Frame range business; ordinary special hazards, etc. I don't think you have a prohibited risk in town."

"If you will carry $5,000 on the Parkhouse Sugar Mill, I can give you a policy to-day."

Now, this *was* a prohibited risk—a sorghum sugar factory, experimental or worse, since the process even with Government assistance never progressed beyond exhausting the appropriation. It was silent, partially dismantled, and heavily mortgaged to the bank. No, we couldn't swallow it.

Weiskopf froze up and wouldn't consider the matter further, so I called upon Mr. Johnson.

He represented, in a way, the large Scandinavian farming community north of town. After he had read my card, and I had stated my mission, he said:

"Aye tank aye haf company aynuf. Aye been too bizzy to make out so much account efery month."

All my persuasions fell upon phlegmatic ears—I had to give him up.

This Fine TARPON
weighing Fifty lbs caught
in Point Creek, near Ti. Scott
by Mr THAUL KAWHAMMY.
we can vouch for the truth
of the story as he admits it.

Incredulity

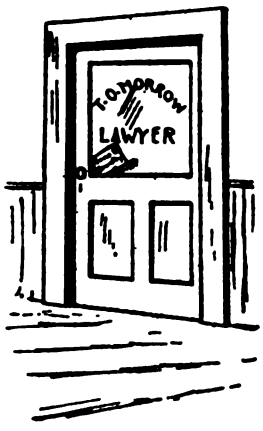
Major Hunter was one of the original Jayhawkers; fought against Quantrell; was in the Lawrence Raid, was also a local politician, and generally of much more importance than the army records admitted. It was quietly hinted by the opposition that he was in the Commissary Department, but he was commander of the local Post, and would not take a back seat for anybody on military record or reminiscences. I saw the sign of the Old Springfarm, and, looking at it, introduced myself by asking if Major Wiseman had been there recently.

"Know the Major?"

"Of course; every insurance man knows him."

Whereupon he entertained me with a selection of anecdotes I had heard half a dozen times from the originator, the only Major himself; talked local politics; gave me his army record; scored the rebels and their apologist, the Democratic party, but wouldn't take the Cataract. I was too young to have served, and as my father was not fortunate enough to have been a conscript, I couldn't show family patriotism enough to do business with him.

Judge Morrow was out of town, showing some one a likely farm, or making a survey for a farm loan applicant. I never met him, but I have seen many of his loan applications, and they were works of art. He divided the quarter section into small squares, painted the orchard green, the wheat red, the corn yellow; forwarded an insurance policy for $1,500 on a $250 house, and secured a thousand-dollar-loan on an eight-hundred-dollar farm. I did not care to get into his agency except as a last resort, and was not very sorry he was out.

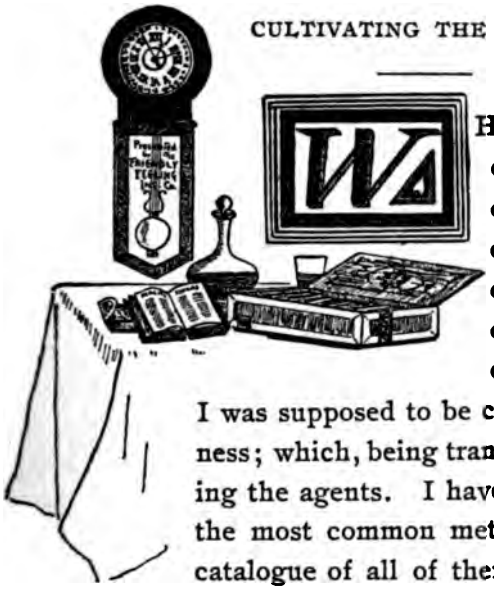


Lane was a young man, a native Kansan, reared in Leavenworth, and, as his initials indicated, at a time when stirring events were pulled off. He was known as Anthony Lane—Tony for short. To my surprise, I found an opening, or, I persuaded him to make one, and was relieved of the necessity of chasing after the above mentioned hangers-on. He even gave me a bond,

though he demurred at first, and before I left I had seen all our policy holders and given them as good a talk as I could to induce them to stay with us. He made a good agent, and, if alive, must be a rarity—the variety is almost extinct in Kansas.

CHAPTER VIII

CULTIVATING THE AGENTS



WHEN I was not changing an agency or adjusting a loss, or inspecting a risk, or attending to one of the multifarious duties of a Special, I was supposed to be cultivating the business; which, being translated, means jollying the agents. I have hinted at some of the most common methods employed; a catalogue of all of them would fill a volume, and serve no useful purpose. Every Special is *au fait*, before he has been in the field a year. What will get me under his vest? How can I increase my business?

Dollars and cents not only talk, they roar, but they are coarse. The Special that buys business is sewing his own shroud. He must get it

on even terms with his competitors, or his existence is not justified. I, Jones, have invented a dozen plans, have tried them and cast them aside. No general scheme will fit all cases. You must adapt yourself and your conduct to the circumstances—for instance:

It was on my regular visit to Glorietta, and while I was cultivating the agent in his office, a firm-jawed, unprepossessing, half-masculine creature sailed in and said to my agent:

"You're a nice man, you are. Where is the kindling I told you to order this morning? We can't cook without a fire, nor make a fire without wood."

"Excuse me, Arabella, this is Mr. Jones, Special of the Cataract; Mr. Jones, my wife," in an apologetic tone and manner.

One glance and I decided Arabella was our real agent—she was the one to cultivate if I expected results. She was the whole household. I told her a parlor story, talked her into a good humor (for her), and was invited to supper. I played with the children, and, in addition to securing her good graces, placed the agent under

obligations by taking him down town during the evening without the usual preliminary row. This was repeated every visit and the Cataract didn't suffer in that agency.

At Podunk, the Methodist preacher gave most of his business to a company that ordinarily would not command one-third of the volume. I asked him why he favored this particular company?

"I'll tell you, Jones. The Special is the most artistic swearer I ever met. A man that can swear and curse in as many different ways as he can, anent nothing at all, is certain to have a hard time hereafter, and it is my duty to make this life as pleasant as I can for him. The next is likely to be dreadful."

No one but a preacher would do it. A layman would have kicked him out of the office.

I once put over $200 in premiums on the books at a small agency by personal solicitation. The agent never gave us another risk, because we had more than our share. He was the only

agent in town and said he would have gotten the business anyway. This was an illustration of appreciation.

Tom Johnson was our agent at Gordon, Mo. The town isn't on the map. No use to look it up, as you couldn't get in if you tried. He gave us practically all his business. Stuck on the company? No. On the Special? No. I ordered an extra one of our works of art, which the vulgar call a sign, for his parlor, and because his wife didn't fancy any other company's sign, he had to give us all his business to keep peace in the family.

One of the meanest tricks was played by a Special of the Kansas Boomer at Podunk. His agent's daughter was the clerk, and what do you suppose he did? Make love to her? Worse than that; he married her. When the competition for business reaches such proportions, I shall move to Sulu. The laws of this portion of these United States are not liberal enough to justify an extensive list of father-in-law agencies.

Nothing so taxes the ingenuity as the competition for premium income, consequently there are no tricks or devices imaginable left untried, some honorable, many questionable, a few disreputable. Detraction re-acts, and is never used by a reputable Special. Innuendo is a more common weapon, but the secret is, to get yourself liked, not your competitor in the agency disliked. Positive action aids you directly, while the result of negative action is scattered. You only get a small portion of the benefits. It may require years of waiting to get into a particular agency, and more years to get a fair share of the business, bnt the slow process is the better in the end. Pertinacity is nearly always rewarded, and if you stick to it you can almost get blood out of a turnip. Of course, if you find your agent is a rutabaga, you would better quit at once and try another, but ninety-nine per cent are capable of being worked if you can only find their weaknesses.

It isn't so hard to get business for a leviathan; it commands a certain amount, and being in demand as a leader in the agency, almost works

itself to the top. Most of us travel for the company of medium size; its dollars are good, but not better than gold dollars; its indemnity is equal to any, but it has neither great age, great size, nor great prestige to recommend it, and the personality of the Special increases as the demand for the company decreases.

CHAPTER IX

MY FIRST LOSS

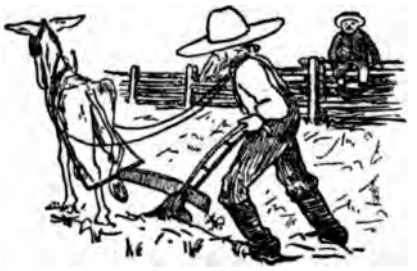
HAVE you ever been to Osceola? No? I congratulate you. After a thirty-mile drive from the railroad, fording or swimming the Osage, as the stage of the water permits or necessitates, you are ready for as many corn dodgers and as much bacon and other aliment as the local hotel supplies. And such a hotel! Built before the war; full of unregistered guests in summer and draughts in winter (when the guests are more or less quiescent), food swimming in grease and dyspepsia oozing out of the very walls, saturated with the kitchen fumes of half a century. Is it marvelous that white-caps abound and lynchings are frequent? Is there not more connection between food and morals than we suspect? Are not grease, ague and quinine frequently the cause, or at least the indices, of

night riders, regulators, and other predatory successors to the original Ku-Klux-Klan?

On the Osage bottom, ten or twelve miles below the town, I settled my first loss. I had been doing agency work for a couple of years, and was, presumably, by this time, equipped for adjusting, though the connection between the two branches of the business, aside from availability, has never been explained to me. I was considered competent to handle a farmer, at any rate. Yet the unlettered tiller of the soil is full of shrewdness and guile, and a more difficult customer to deal with than the average country town business man. His notion of well dressed humanity is gathered from lightning-rod peddlers, farm machinery salesmen, gold brick merchants, and other like birds of prey. Can you blame him if he is suspicious of even an embryo adjuster?

The agent wished to drive out with me, but I was uncertain of my ground and did not care to have a witness to my possible discomfiture; so I found my way alone over the flint hills and mucky bottom land, arriving about dinner time. The claimant was a sallow, lank individual, one of the

real old stock, and was plowing his corn, when I arrived. I sat on the fence until he crossed the field. When he was about to turn for another round, I said:



"Howdy. Fine weather for corn?"

"Middlin'," he replied, glancing at me out of the tail of his eye, but evincing no disposition to stop his work, and swearing at his mule while he yanked the cultivator around.

"I am Jones, adjuster for the Cataract Insurance Co., and have come out to settle your loss."

"Ye have, have ye? Now that's what I call doin' the square thing. If ye'd writ me, I'd a met ye in Osceola and saved ye the trip."

He commenced to thaw a little now. Probably supposed I wanted *his* money when he first saw me, but to give him *my* money—that was different.

"What burned?"

"The hull durned shootin'-match burned, that's what."

"Barn, too?"

"Didn't have no barn, but the house an' furniture all went."

"Did you save your policy?"

"The loan fellers up to Kansas City have it. I reckon I wouldn't 've had any insurance if they hadn't made me take it."

"All right. I have a copy, so it doesn't matter. Let's see: $300 on frame dwelling house, and $200 on household furniture, wearing apparel, etc. Loss, if any, payable to Javvis, Conkhite & Co. Is that correct?"

"Not by a durned sight it ain't correct. That was a log house, made of hewed walnut logs, and you can't run any flimsy studdin' shebang in on me, not if I know it—"

"But the policy says—"

"I didn't write the policy, did I? Harris wrote it, and he know'd my house; he's been here a dozen times. No, sirree. I want pay for walnut logs—no scrub oak—but good seasoned walnut, an' it's gettin' mighty scarce 'round here, too. Why I could'a sold them logs fer five hundred dollars, and'ud'a done it too if Lize'd a let me."

Up against it, Jones, old man. Let's drop the house and tackle the furniture.

"Have you made a list of the furniture?"

"Lize has."

"How did the fire originate?"

"How did it what?"

"How did it start?"

"Dunno, must'a ketched from the chimbly."

"Didn't you save anything?"

"Saved the kids."

"Well, let's go and see your wife. I want to get back before dark."

We found Lize and the kids, six or seven of them, near where the house had stood. All that remained was the stone base of the chimney, looking like one of "Blunt's monuments" of the closing days of the war. Lize was getting dinner in a kettle at an open fire. She wasn't pretty, though before the advent of the kids she might not have been ill-looking.

"This is the insurance man, Lize," was my introduction, which she acknowledged with a nod, wiping the smoke out of her eyes, or rather, the tears drawn by the smoke.

"He wants a list of the traps."

"Better wait 'till after dinner; I ain't got no time to fool with 'em now. You Lige, you little brat, keep outin' the kittle, will ye?" making a swipe at Elijah, but not quickly enough to catch him.

I took pot luck with them. What they would endure for days, I might endure for once, and when the meal was disposed of, we went to work. The list commenced with the items dear to her by association — not with the wearing apparel the city bred woman would have mentioned first.

"Two feather beds, how heavy were they?"

"'Bout thirty pounds."

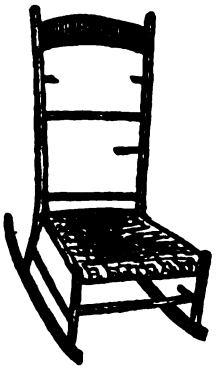
"Sixty pounds of feathers at 20 cents a pound—$12."

"Twenty cents? You can't get first pickin' feathers like them fer no 40 cents a pound."

"But they have been used, and we figure depreciation."

"No you don't figure nothing outer me. I know what feathers is, and nobody in this neighborhood had better ones neither—"

To stop her volubility, pass sixty pounds at 30 cents, a fair compromise; same with half a dozen pillows.



"Split-bottom rocking chair. What was it worth?"

"More'n we'll get fer it, I reckon. Ole man Thomas made it, and he was the handiest man in these parts. Raised every one of these young 'uns on it, and it was just as strong and good as new. 'Druther have it than any of your store cheers, that can't stand no use and—"

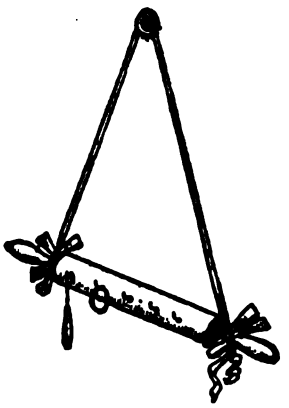
Heavens! At this rate, when will we get to the end?

"How does $2 strike you?"

"Two dollars! fer a seasoned cheer that has raised all these—"

"Three dollars?"

"Say four. It was wuth more'n four, but I don't want to be onreasonable—"



Item by item, down to the rolling-pin—and the whole scheduled $225. I did not want to send in my first proof without a salvage, and made a bold bluff at 33⅓ off, and a settlement at $150, but it wouldn't go. Finally they agreed to

$175 which was ample, and I took up the house again with the old man.

"How much is the place mortgaged for?"

"'Bout $400."

"All right; I'll pay you $400, that will just cancel the mortgage."

"Not much you won't. Them walnut logs—"

"But we didn't insure a log house. The company prohibits log houses, and we must either agree upon what a frame house of this size is worth, or we can't pay you anything."

"Ye can't, eh? By gum, we'll see whether ye kin or not. I saw lawyer Childs, up to Osceola, and he says—'Don't you take a cent less than the policy calls fer;' that's what he says. They's a State law, a Statoot, or something that's fixed the hull bizness. I ain't a fool if I do eat tumble-bugs."

Against it again. Walnut logs and valued policy law. Let's try another tack.

"All right, if you want to settle your claim with lawyer Childs, go ahead; I'm going back. Understand, we do not waive any of the terms and conditions of the policy. The policy will tell

you what to do and when it must be done. When you get ready to adjust the loss, if your lawyer will write the company, we will give the claim attention in the usual order of business."

I hitched up and was preparing to go. The old man chewed a straw, scratched his head, and rubbed his chin—evidences of deep thought in one unaccustomed to think—but made no effort to detain me. After I was in the buggy, I gave him one parting shot.

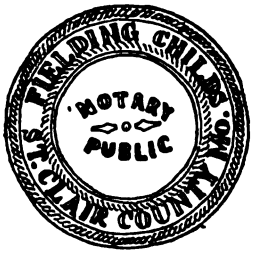
"Have you agreed with Childs on his fee?"

"I've been thinkin', an' I'll tell you what I'll do. You make it $450, that's throwin' off $25 on the house, and I'll call it a bargain."

Accepted, proofs attested by a Justice of the Peace, estimate of frame house made to fit the case, and my first loss was settled, but not adjusted.

One of the many differences between Kansas and Missouri is, that in the former State the Insurance Commissioner would, when reports were filed at the end of the year, volunteer as collection agent for the $25 compromise, giving the company the alternative of paying or having the license revoked.

Note by the Editor: Mr. Jones is mixed in his dates, as the valued policy law of Missouri was enacted in 1889, years after the time he set for his adjustment.



CHAPTER X

A SPECIAL'S DECALOGUE

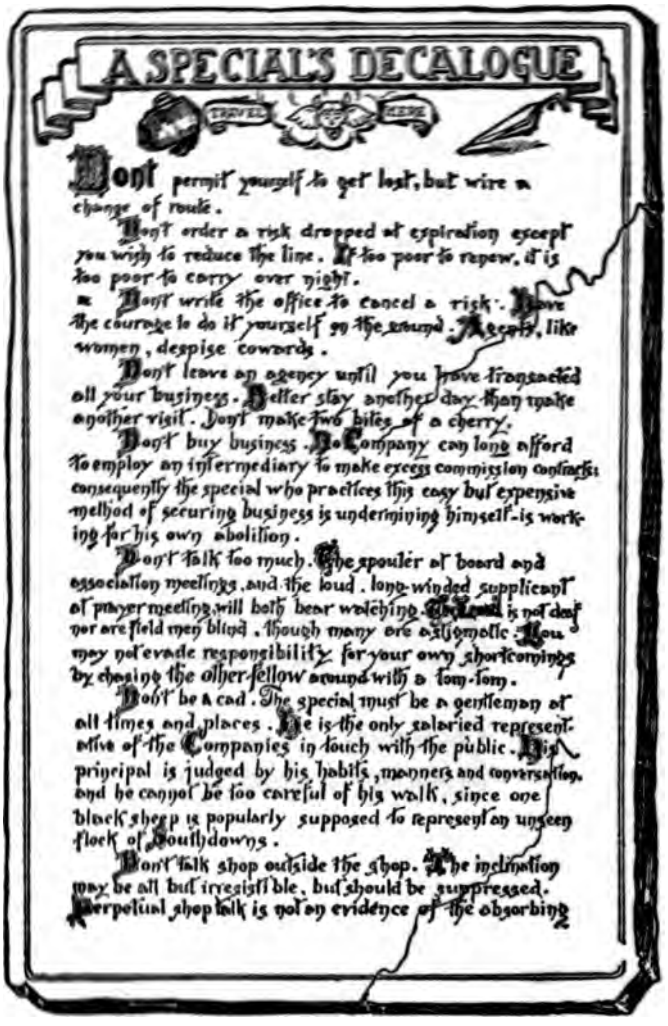
ON'T permit yourself to get lost, but wire a change of route.

Don't order a risk dropped at expiration unless you wish to reduce the line. If too poor to renew, it is too poor to carry over night.

Don't write the office to cancel a risk. Have the courage to do it yourself on the ground. Agents, like women, despise cowards.

Don't leave an agency until you have transacted all your business. Better stay another day than make another visit. Don't make two bites of a cherry

Don't buy business. No company can long afford to employ an intermediary to make excess commission contracts; consequently the Special who practices this easy but expensive method of securing business is undermining himself,—is working for his own abolition.



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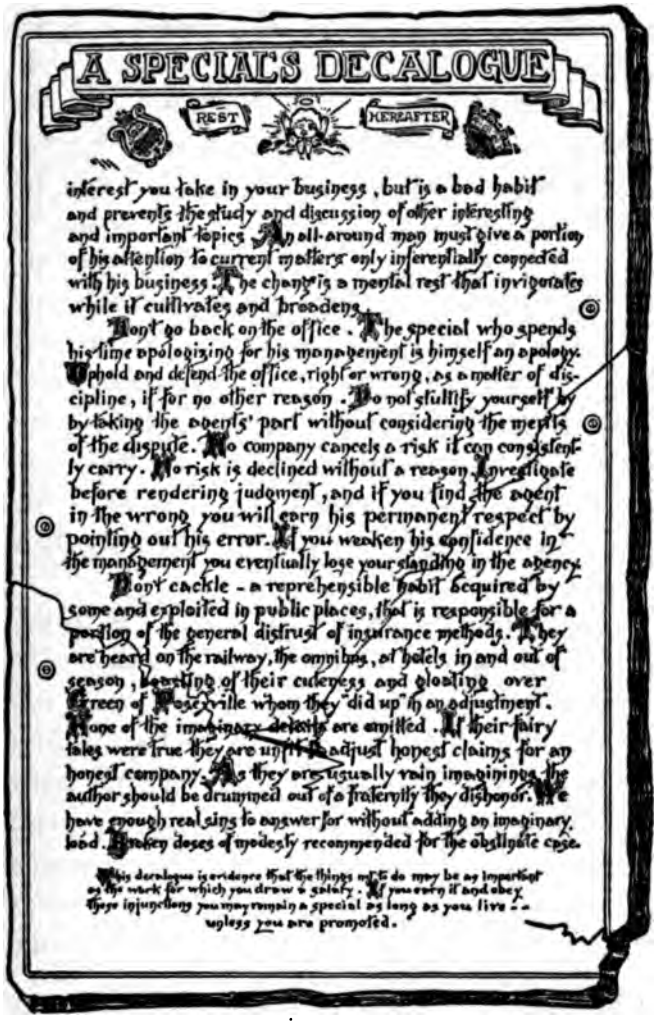
Don't buy business. No Company can long afford to employ an intermediary to make excess commission contracts; consequently the special who practices this easy but expensive method of securing business is undermining himself-is working for his own abolition.

Don't talk too much. The spouter at board and association meetings, and the loud, long-winded supplicant at prayer meetings, will both bear watching. The Lord is not deaf nor are field mice blind, though many are dyspeptic. You may not evade responsibility for your own shortcomings by chasing the other fellow around with a tom-tom.

Don't be a cad. The special must be a gentleman at all times and places. He is the only salaried representative of the Companies in touch with the public. His principal is judged by his habits, manners and conversation, and he cannot be too careful of his walk, since one black sheep is popularly supposed to represent an unseen flock of Southdowns.

Don't talk shop outside the shop. The inclination may be all but irresistible, but should be suppressed. Perpetual shop talk is not an evidence of the absorbing



interest you take in your business, but is a bad habit and prevents the study and discussion of other interesting and important topics. An all-around man must give a portion of his attention to current matters only inferentially connected with his business. The change is a mental rest that invigorates while it cultivates and broadens.

Don't go back on the office. The special who spends his time apologizing for his management is himself an apology. Uphold and defend the office, right or wrong, as a matter of discipline, if for no other reason. Do not stultify yourself by by taking the agents' part without considering the merits of the dispute. No company cancels a risk if con consistently carry. No risk is declined without a reason. Investigate before rendering judgment, and if you find the agent in the wrong you will earn his permanent respect by pointing out his error. If you weaken his confidence in the management you eventually lose your standing in the agency.

Don't cackle - a reprehensible habit acquired by some and exploited in public places, that is responsible for a portion of the general distrust of insurance methods. They are heard on the railway, the omnibus, at hotels in and out of season, bewailing of their cuteness and gloating over Green of Rosetville whom they did up in an adjustment. None of the imaginary details are omitted. If their fairy tales were true they are unfit to adjust honest claims for an honest company. As they are usually vain imaginings the author should be drummed out of a fraternity they dishonor. We have enough real sins to answer for without adding an imaginary load. Hockey doses of modesty recommended for the obstinate case.

This decalogue is evidence that the things not to do may be as important as the work for which you draw a salary. If you carry it and obey these injunctions you may remain a special as long as you live -- unless you are promoted.

Don't talk too much. The spouter at board and association meetings, and the loud, long-winded supplicant at prayer meeting will both bear watching. The Lord is not deaf, nor are field men blind, though many are astigmatic. You may not evade responsibility for your own shortcomings by chasing the other fellow around with a tom-tom.

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Don't talk shop outside the shop. The inclination may be all but irresistible, but should be suppressed. Perpetual shop talk is not an evidence of the absorbing interest you take in your business, but is a bad habit and prevents the study and discussion of other interesting and important topics. An all-around man must give a portion of his attention to current matters only inferentially connected with his business. The change

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Don't cackle—a reprehensible habit acquired by some Specials and exploited in public places, that is responsible for a portion of the general distrust of insurance methods. They are heard on the railway, the omnibus, at hotels in and out of season, boasting of their cuteness, and gloating over Green of Poseyville whom they did up in an adjustment. None of the imaginary details are

omitted. If their fairy tales be true, they are unfit to adjust honest claims for an honest company. As they are usually vain imaginings, the authors should be drummed out of a fraternity which they dishonor. We have enough real sins to answer for without adding an imaginary load. Broken doses of modesty recommended for the obstinate case.

This decalogue is evidence that the things not to do may be as important as the work for which you draw a salary. If you earn it and obey these injunctions you may remain a Special as long as you live, unless you are promoted.

CHAPTER XI

THE HAIL MAN

INSURANCE has been so generally adapted to the vicissitudes of life that nearly all contingencies are provided against. Most of the hazards are under-written by companies organized for that purpose, but a few have been grafted upon the fire company. In the Middle and Northwest, where the elements are capricious and unreliable, tornado insurance is a factor in the premium receipts of many companies, and hail insurance is a necessity to the farming community.

While indemnity against hail was in the experimental stage, the farmer's crop was insured for a lump sum and the losses adjusted at the end of the season. As there were frequently a number of claims in one neighborhood, the advent of the adjuster was anxiously awaited by a number of

poor devils whose winter provisions depended upon his liberality. Premiums were high, nearly always paid with a note, and when the harvesting, threshing and marketing charges, in addition to the unpaid note, were deducted from the claim, the farmer who did not owe the company money was a lucky man. The popularity of the adjuster decreased as they got better acquainted with him. He often left the claimants less than did the hail storm.

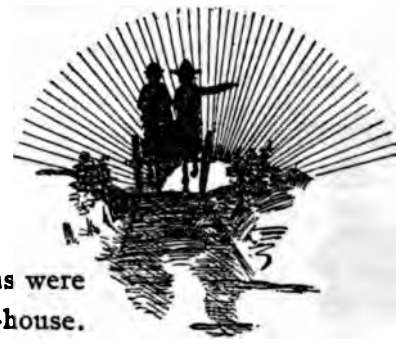
He never tarried when his business was done. His driver was educated to the necessity of prompt action in an emergency. When he saw his fare bolt out of the house or yard, the team was under way before he reached the buggy, which he mounted on the fly. Hearts were hardened against lamentations and imprecations, and the place knew him no more for a year, maybe forever.

The story of the settlement is told in his own language:

"I had a sectional map of the counties, and located all the claims by a mark, so I conld lay out my route. There was one spot in Western Nebraska where the map was badly disfigured. We seemed to have the whole country insured,

and there were fifteen or twenty dots in one township. After a fifty-mile drive I found myself late in the evening on the border of a Russian community. Lodging and horse-feed were both refused me, and, to get shelter in a hut, I was obliged to disclose my identity. It was so late that I felt pretty safe in admitting that I was the hail man, but I underestimated the anxiety of the community. The news was spread abroad during the night, as I learned in good time.

"We were on the road by daylight. Shortly after sunrise, as we reached the crest of a hill, I heard the driver say: 'Well, I'll be damned,' an admission quite in consonance with his walk and conversation, yet it startled me a little. He pointed to the valley below, where there was the stir and bustle and crowd usual to a camp meeting. A dozen teams were tied to the fence around a sod-house. The folks had congregated to greet me.



"It was sometimes hard work to settle a single claim, and to tackle them in bunches was

not a pleasing prospect; but I couldn't back out, and determined to face the music. They greeted me effusively and gutterally. All talked their jargon to me at once, each wanted to be adjusted first, and individual action was impossible. Some way must be devised, or I would be in the midst of a riot before I knew it.

"The house had only one room, with the dining table across one end and benches around it for seats. I ranged my pack of claimants around it, crowding as many as possible against the walls, spread each man's policy in front of him, and began to figure. I made over a dozen statements of loss, of which this is a fair sample:

IVAN BUSTROWICH.

40 acres wheat, estimated yield 30 bu .	1200 bu.	
actual " 5 bu .	200 bu.	
Net loss in bushels	1000	
Quotation at nearest Ry. station, 40c		$400 00
Premium note	$60 00	
Interest	6 50	
Harvesting charge	50 00	
Threshing charge	60 00	
Marketing charge	70 00	$246 50
Net loss		$153 50

"I made out drafts for every claim, had the receipts signed, put them in my pocket, distributed the drafts and bolted. Before I reached the buggy they were after me, a howling, gesticulating mob; but the driver knew his business, and they never caught me. The ethics? Bless you, there is none in the hail business. If we paid them what they wanted we should be out of business, so we pay what they must have, enough sometimes to keep them in cornmeal and bacon 'till spring."

CHAPTER XII

AN ADJUSTER'S YARN

KILGORE'S "VENETIAN PAGE"

WE were seated around the big fireplace in the rotunda of the Midland Hotel, recounting our experiences on household furniture losses, when Kilgore, who had been a patient listener, said:

"If you boys will wait a minute until I try Dewey on the slot machine for the cigars, I will tell you of my experience with Clara Buster Mound."

He came back with a quarter's worth of cigars, but by the smile on Peggy's

face we figured that they cost him about forty cents. This is his tale as near as I can remember it:

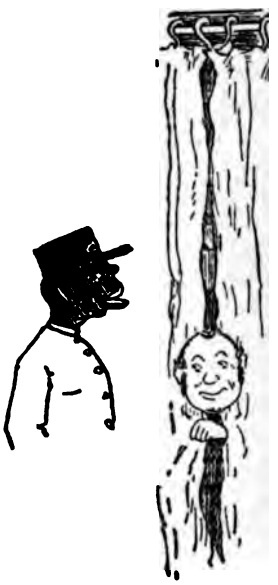
"Now this is strictly confidential among us seven. It doesn't reflect much credit on my ability as an adjuster, but I take it from what I have heard that you have all been done up at some time. Mrs. Mound, to whom I have given the title of Her Ladyship, was one of these strong-minded women who was looked upon as a leader among women—one who starts in her locality a movement for The Assertion of Our Rights, and when she gets the women together announces in a clear and decisive manner:

"'Now, ladies, you will please come to order. First of all we must choose a chairman.'"

"And at the slightest hint, or suggestion, announces her election. I guess you know the style of her bonnet and set of her jaw.

"When I got the notice of loss I found that besides our one thousand dollar policy—which gave permission for other insurance—there was five thousand dollars insurance in two other companies, and our agent, who was one of these ordinary matter-of-fact men who looks on the practical

side of a loss, reported: 'Small loss in attic, will not exceed one hundred or two hundred dollars.' There was a little notation on the bottom of the loss notice opposite 'Remarks': 'Property damaged: some old lace curtains and other goods formerly in a $50,000 Southern plantation home.' As the largest policy was in one of the home companies represented by our agent, and Mr. Smiley, their adjuster, made his headquarters in the city where the loss occurred, I sent a short form proof to our agent, requesting him to have Mr. Smiley represent us, and I supposed I was out of it. But, bless your hearts, within the next three days I received a letter and a telegram from my manager, a letter and a telegram from the secretary of the home company, a telegram from Smiley, and a very appealing letter from our agent—all in the same strain, 'We want *you*—*you* must come.' I thought there must have been something besides humming-birds in that old Southern home, so I slid my alligators under a berth, told the porter not to forget me, pulled the curtains together and proceeded to pound the rails for three hundred and sixty weary miles.



"When I arrived, I learned that the lady had formerly been Mayor of the town—as a mere matter of form she held the office in her husband's name. She had presented a claim of $1,956.60, and about the time that Smiley had begun to prepare himself for a vigorous kick, she sprung a supplementary on him to the tune of $480.00. This, together with the fact that he (Smiley) feared to antagonize one of his prominent fellow citizens, was why your friend Willie suddenly became so popular with the home folks. Mr. Small, the other adjuster, suggested that I do the talking. I think Smiley put him up to it, he acquiesced so readily.

"The first thing to do was to view the remains. There were none. Of course there *had been*, but everything had been cleaned up to prevent further damage. This looked all right, and sounded well, for it complied with that particular condition of the policy, but, as I found afterward, it removed the evidence of $1,605.10 claimed as totally destroyed, and Clara was no idle day-dreamer, let me tell you.

"I took the lists and checked them up, keeping my eye open all the time for evidences of

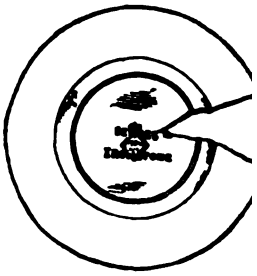
padding, for while Willie looks and acts like a jay at times, he considers himself pretty smart, thank you. I observed the tattered and torn remains of three summer parasols without making any remarks, but when I came across a broken piece of chinaware, just to show interest in the matter, I asked:

"'Where will I find this dish on your list, Mrs. Mound?'

"With withering scorn she repeated the word, 'Dish?'

"I said: 'Why, what is it?'

"She answered with dignity in every syllable: 'A 1754 Sevres plaque, and I might add for your enlightenment, it is worth at least $100.00, but I put it down at $50.00.'



"I didn't turn a hair; simply checked it on the list, but I was more cautious thereafter in giving things a name. After looking carefully at everything on which damage was claimed, we made an appointment to meet Mrs. Mound, with her husband, at Mr. Smiley's office, and it was there that the proceedings became interesting. Smiley and Small both expressed—to me—a desire

to have the loss disposed of before night, fearing another supplementary, and from that time on they were as quiet, orderly and peaceful as Clara's beloved husband.

"Right here let me remark, that practically all of the goods on which she claimed loss and damage were contained in the attic of a barn temporarily arranged for dwelling purposes, situated on the rear of a lot, awaiting the time when Clara's husband would be sufficiently relieved of financial embarrassment to enable him to build a house on the front of the lot. He hasn't built it yet.

"When Her Ladyship arrived, I did not detain her, but as soon as she was seated at the director's table I began at once, in the usual way, by opening up the list before me and asking:

"'Now, Mrs. Mound, I notice the first item on your list is one oil painting, "On the Rhine," $75.00. Where did you get this?'

"She answered: 'It was a present from my papa. He was a Southern gentleman of distinction, who traveled a great deal, and gathered works of art from all the great art centers of

Europe, and when he closed up his Southern home, shortly after the death of my dear mamma, preparatory to removing to Washington, he gave me (as I was about to be married) *carte blanche* to help myself to the furnishings of this delightful old home. As I pride myself on my good taste, and am recognized in this city as an Art Connoisseur, it is probably unnecessary for me to assure you that I selected the very best curtains, portieres, furniture, bric-a-brac, bronzes and statuary for my new home in the North —'

"'And so on and so on for fully half an hour. As there were four long closely typewritten pages to the schedule, I observed hope depart from the face of my co-laborer, Smiley, while our friend Small looked anything but comfortable.

"'The next question (I know you anticipate it) was:

"'"'How long have you been married, Mrs. Mound?'

"'She answered the question very promptly: 'Twenty years.' But when she proceeded to recount the coming of poor Mound, together with 'What drugs, what charms, what conjuration and

what mighty magic' she had used in landing him. I broke in with:

"'Pardon me, Mrs. Mound, I do not wish to interrupt you, nor to appear rude, but in order to avoid unnecessary delay, we must confine ourselves to the list, so—to expedite matters—I would suggest that you take this pencil and mark a small cross opposite each article on this list that was a present from your father.'

The great majority of the articles received the mark of the cross, with a little compliment from Her Ladyship. There were lace curtains varying in price from fifty dollars for appliques, down to twenty dollars for torchons; black thread lace at ten dollars per yard; a lace shawl (formerly the property of her mother) valued at one hundred and fifty dollars. Oil paintings from fifty dollars to seventy-five dollars each; etchings from 'A Holland Dyke,' at thirty dollars, to 'A Country Road,' at twenty-five dollars. All, all packed away for twenty years in the attic of a barn and insured as household furniture. And just as I was about to resume, Her Ladyship, with a splendid display of injured innocence, exclaimed:

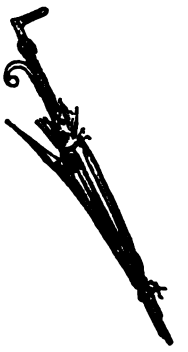
"'I didn't suppose you would invite me here to insult me.'

(No tears, however.)

"'Why, madam, nothing could be further from my thoughts.'

"'Well, I certainly shall insist upon being paid every dollar of my claim as shown on these lists.'

"Smiley tried to steal a look at me out of th corner of his eagle eye, but was checkmated by Clara taking a fall out of him and his company. This gave me a breathing spell, and as I was about to empty the water-pitcher, I collected my scattered thoughts, displayed my hospitality in a proffered glass, and was more than delighted to have Her Ladyship accept it.



"I then took up the question of her wearing apparel, and found, from her answers, that her dresses were all made the previous summer and fall, but she would not admit of any depreciation.

"I then touched upon the three parasols (you probably remember, that I saw that they had been discarded), and learned from her that they were all as good as new. One white silk and chiffon

parasol, value seven dollars; one red taffeta silk, value six dollars; one blue and bronze taffeta, value five dollars. All—according to her story—bought in the same season (last summer), and she lived in a barn; but when I endeavored to convince her that the depreciation on last summer's silk parasols was very heavy, she met me with the statement that I knew very little about such articles, for she could very easily make them last three or four years. I very unwisely put my foot in it by saying:

"'My wife never can get a parasol to last more than one summer.'

"And as old Uncle Remus says, 'dats whar I drapped my merlasses jug,' for she sneeringly remarked:

"'Probably Mrs. Kilgore has never been accustomed to having good parasols.'

"I pulled myself together, took another glass of ice water (she was on her dignity now and wouldn't accept my hospitality), and resumed operations by skipping the item of 'one hundred dollars for summer underwear' and other items that might embarrass Smiley, and this

brought us face to face with the dreadful supplementary.

"'The first article on the list was 'A Venetian Page.' It was a very graceful figure and had attracted my attention while I was poking around looking at 1754 Sevres plaques, and congratulating myself that the tea-set from the Tuilleries, once the property of Louis XV, had not been chipped. As my young Venetian friend had not been within fifteen feet of the partition, and the fire was on the other side of that partition, and he was simply suffering from a small blister under his chin, I could not convince myself that he was damaged to the extent of one hundred dollars, nor could I understand why the bronze figure of David should be damaged ten dollars because he had lost his sword, while King Saul, in the guise of a Roman soldier, was charged up with fifty dollars for losing his shield. I grew temporarily facetious by insisting upon a compliance with the usually accepted traditions that we have enjoyed from our youth by picturing David with a sling and Saul with javelin. Clara looked me over very critically and asked:

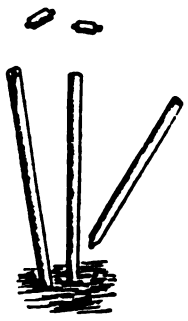
"'Mr. Kilgore, are you an Art Connoisseur?'

"I answered: 'No, madam, I am simply an ordinary business man.'

"She turned half way round, looked to Small to uphold her in the statement, and said:

"'Yes, very ordinary.'

"But Small was silently pensive, hoping we might escape without an appraisal



"However, while she bowled me out on almost every proposition, I took serious objection to paying seventy-five dollars for two Doré engravings. She endeavored to convince me that because Doré was dead his engravings appreciated in value year by year. I asked her if the plates were still in existence. Again I met that scornful look, which plainly said: 'You certainly are not an Art Connoisseur,' and she added:

"'Why should that make any difference when those were *artist's proofs?*'

"I had seen them in their damaged and practically ruined state, and knew by the engraved signature that they were not artist's proofs, and she finally admitted she was mistaken. My only victory.

"Oh, but she was foxy. At the end of the supplementary list was this open question, on which she intended to do a little trading. 'Also blue satin brocade medallion pattern parlor suite; whatever is needed to put suite in good repair.' (Mrs. Mound volunteered the thrilling information that a copy of this set is in Holyrood Castle.) I decided that this open question must be closed before we made any figures, and I therefore asked if it had ever been upholstered since she brought it from her Southern home. No, it hadn't been. I asked what it would cost to re-upholster the set with as good material as it now had on it? (The fire hadn't damaged it a particle.) She said she didn't know. I asked if she had endeavored to get an opinion from any of the furniture dealers in her city? She hadn't.

"'And,' I continued, 'you cannot give me, approximately, any idea of what it would cost to upholster a set of furniture?'

"She answered: 'I cannot.'

"Ah! How delighted I was with myself now.

"'Now, Mrs. Mound, will you please inform me, if you cannot express an opinion on an ordi-

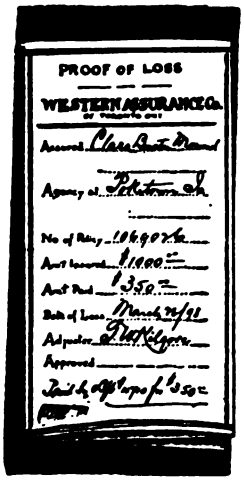
nary matter such as upholstering a set of furniture, why it is you can so readily determine that *a Venetian Page with a little blister under his chin is damaged to the extent of exactly one hundred dollars?*'

"Without ruffling a feather, she very coolly replied: 'Because I am an Art Connoisseur.'

"Smiley winked at me and we retired, leaving Small to pour oil on the troubled waters. I never knew Smiley to weaken before, but he said:

"'Kilgore, don't you know we're up against it? That woman proposes to stand pat, and if we don't pay her every cent she claims, she will demand an appraisal, and on that old truck of hers she is bound to do us up.'

"Well, to make a long story short, we called Small out, and as my company had but one-sixth interest, I bowed to the will of the majority and consented to paying twenty-one hundred dollars on a claim of twenty-four hundred and thirty-seven dollars and sixty cents, my proportion being only three hundred and fifty dollars, but I carried my point, that in view of cash payment the policies were to be surrendered. I gave my draft


PROOF OF LOSS

WESTERN ASSURANCE Co.

right then and there, and when Her Ladyship surrendered her policies, Mr. Small played the part of the polished gentleman and said he trusted she had not taken offence at anything he had said or done, and that she would always feel kindly toward his company. Smiley and I were silent, but with a smile that reminded me of a hyena, she turned to me and asked this very pointed question:

"'Now, Mr. Kilgore, that you have cancelled my policies, I want to know if your Company will insure me again?'

"My first impulse was to answer 'No, madam,' but remembering all the little jolts she had given me, and possessing to a certain degree that mean desire to get even, I answered in a hesitating way:

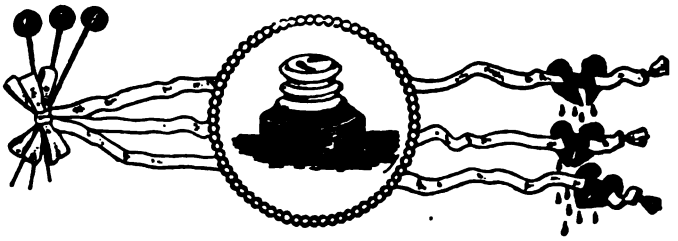
"'Why, yes, madam, we will insure you provided you pay us our rate.'

"'Why, Mr. Kilgore, is there any change in my rate because of this fire?'

"'Certainly, madam; we thought we were insuring household furniture, but now that we know what you have in your house, we would have to charge you the Art Museum rate, which is very high.'

"Within four months the house (or barn, which ever you please) burned down, and it caught the other two companies, and a gentle stranger, for seven thousand dollars, and although the liberality of our first settlement may have caused her to avoid any precautions against another fire, still my lacerated feelings found a soothing lotion in the knowledge that I was directly responsible for saving the remaining six hundred and fifty dollars of our policy.

"The gentle stranger sent an adjuster out from Chicago, and I obtained from him a sight of her list of stuff destroyed in the second fire, but my Venetian Page was not there."



CHAPTER XIII

THE PUBLIC ADJUSTER

I HAD been in the field several years before I met the wet nurse, who calls himself adjuster for the assured. While he had preyed upon some of the Eastern cities for years, I believe his first appearance in the West was at St. Louis. Why should the State of Missouri be chosen as the theater of all sorts of experimental deviltry? No wonder her newspapers cry, "Poor old Missouri." She is insurance-wise, a worthy object of compassion.

If, as asserted, insurance agents are reformed failures, what becomes of the insurance men who fail? Some try farming, where they can hold the Lord partially responsible if their luck still pursue

them, and some, fortunately a very few, become "vipers, whose treacherous fangs smite the hand that fed them," otherwise public adjusters. After they lose their attached positions, and the companies (probably for cause) refuse to support them in an independent capacity, they sell their small stock of information, dearly paid for by some company, to the first comer. As the dishonest claimant most often seeks assistance, he is the common purchaser of their ability.

I did not, as a rule, adjust St. Louis claims, which were more economically handled by C. W. Kellner. However, one was presented so outrageous in its nature, and so apparently doctored to rob the company, that I was requested to give it personal attention. I found old Galgenseil, the claimant, amidst the remnants of a cheap clothing stock. He was probably mentally casting up his prospective profits when I met him, as an angelic smile illumined his countenance. The sudden transformation produced by my business card was ludicrous. Instantly he became ruined—even his dirty children howled an accompaniment to his misery.

It was a bad mess. The stock was originally bad; the location was bad; trade was bad; the man was bad; with such components, how could the loss be good, except for the beneficiary?

He refused to discuss the claim with me:

"You must see my addorney, Mr. Nightingale, I got noddings to say. I'm ruined. It was a beau-ti-ful sthore — yusht see it now," etc.

As I had known Nightingale when he was in the field, I did not anticipate any difficulty in dealing with him. A good attorney is better than a bad claimant; but I had not made allowance for the changes induced by time and circumstances. Instead of a smile, a frown greeted me; a sour, ugly misanthropic frown at that:

"Why don't you pay your losses, Jones?"

"We do pay our losses, but not upon such proofs as you have furnished for Galgenseil. You have been in the insurance business long enough to know that legitimate claims are always recognized, and illegitimate ones usually investigated. We want to know, you know."

"What do you want?"

"Separate value and damage on each item. Your proof makes a lump demand for four thousand; how do you arrive at it?"

"Two thousand totally destroyed and fifty per cent damage on what was saved."

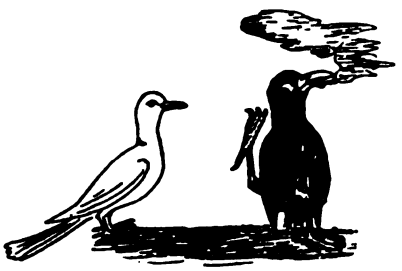
"So? How much stock do you claim to have had?"

"About six thousand."

"Then one-third was totally destroyed?"

"Yes."

"Yet the counters, shelving and floor were not burned—barely scorched?"



"The stock was burned just the same. Don't try any of your obsolete arguments on me. I have been through the mill and it won't go. We want $4,000."

"I don't doubt your wants. If there had been $10,000 insurance, you would want ten instead of four; but I *do* doubt if you get it."

As Nightingale has the claim on a percentage basis, it is a waste of time to dispute and argue with him. He is only amenable to the ***argumentum ad***

hominem. He knows his client's claim is dishonest, yet volunteers to assist him in his attempted theft. "To what base uses we may return, Horatio."

Now commences an era of notices, evasions, counter notices, demands, counter demands, all over a dispute that could be closed with an honest man in half a day. What was the result? Appraisal, of course, and the ultimate payment of twice the loss. That was the result to the Cataract. To him? An increased clientage; another letter of recommendation to the speculative claimant. Honest insurers sometimes employ him. Why? Probably because of the prevalent, undefined feeling that in case of loss the assured is unlikely to get fair treatment. This impression is false, but it exists. No other business requiring the determining of contingent contracts can show so few disputes, so little litigation, so small a percentage of friction as the adjustment of fire losses. No fairer body of men are employed in any business than adjusters.

CHAPTER XIV

AGENS SPECIARIUS

Kingdom	Animal.
Sub-kingdom	Vertebrata.
Class	Mammalia.
Order	Bimana.
Family	Securus.
Genus	Agens.
Species	Speciarius.

IT MAY be urged in objection to this classification that some of the sub-species lack the traits required to bring them within the order Bimana. In explanation, I may remark, that in their physical structure they resemble men, and if their mental qualifications are deficient, they are no worse misplaced than possibly one-half of the human race. The dividing line between the next lower order of Vertebrata and the lowest specimens of Bimana

is so shadowy that some celebrated writers have denied its existence. The Missing Link may be in the insurance business for all I know. If not, he is the only known specimen we lack in our museum.

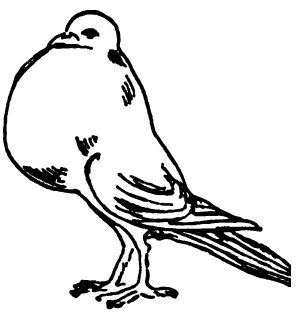
S. Nepos. Wears good clothes, including dress hat and shoes. Is deeply interested in sporting and theatrical events. Habits, fair to middling. As his position does not depend upon the results of his labors, there frequently are no results. Does not worry agents for increased business. Seldom talks shop. Has a liberal expense account, and a correspondingly large circle of admirers. Comparatively rare and expensive—to his employer.

S. Risbilis. Never overdresses, rather inclined to be careless of appearances. His characteristic pose is feet on desk, and chair tilted, also hat. Laughs his way to his agents' hearts. Associates with traveling men on terms of equality, and tells stories of questionable morality. Conversation liberal, as well as his underwriting policy. Considers life a comedy, and gets as much amusement out of it as he can. A very popular character

about hotels; known as "Jack" to all employes, male and female.

S. Bibulus. His habits leave him just enough backbone to make him a vertebrate, and if he could breathe liquid as easily as he absorbs it in other ways, he would be amphibious. This almost excludes him from the list, and very nearly does the business of insurance a good turn. He is a good mixer of drinks, and nearly always addicted to the kindred vices. Changes employers frequently—from necessity, but always contrives to get a salary and expense account equal to his daily necessities.

S. Giganteus. A large man traveling for a large company, writing a large business. Self-esteem abnormally developed. Will never realize how small a factor he is until he represents a small company. Thinks the business his company commands a personal compliment. Cold-blooded and arrogant. Considers his money a trifle superior to any other brand. Generally



disliked, but his company remains head with his agents despite his handicap.

S. Repens. Of a crawling, creeping nature, unable to stand up for rates, commissions or good practices. A slimy individual, worming his way into agencies established by honest companies, poisoning the agent and contaminating the business. Half-hearted efforts have been made to draw his fangs, but never with enough unanimity to ensure success.

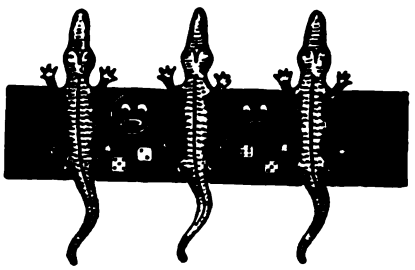
S. Laboris. Is rarely pretty, but his plainness is counter-balanced by his industry. Helps the agents solicit business; inspects his risks conscientiously, and makes the acquaintance of his policy holders. Works as many hours a day as he can, and by constant hammering achieves results. He is not gregarious, is a poor conversationalist, and modest in his dress. Walks to and from the station and earns the cab fare. Is a thrifty personage, and his business ultimately partakes of his nature.

S. Vulgaris. Ordinarily, a promoted local, who either promised marked ability or an increased volume of business. After the callow period is past, when his freshness has worn off, he does not differ much from people in other walks of life. With an eye to the main chance he approaches it in various ways. Neither better nor worse than his fellows, he is nevertheless the material from which most managers and general agents are made, and we find the same diverse traits, the same peculiarities and the same attraction for the merry rattle of the chips found in managerial circles.

S. Lusus Naturae. Sporadic cases exist, not readily assignable to any class. The aboriginal farm solicitor sometimes breaks into the fold. The junior office clerk is sent out to gather experience. A life insurance solicitor, who never saw a fire policy nor a fire-wall, is employed to prey upon an unsuspecting public. The local who does per diem work in his vicinity for the good

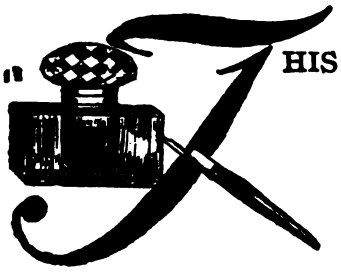
it will do the business in his local office. The lightning rod peddler. Any one who cannot be readily assigned to one of the above sub-species.

These are the men who represent the company to the local, and the local to the manager. Do you marvel that both are occasionally misrepresented? Some of the types are not numerous, but all of them exist, and none are overdrawn.



CHAPTER XV

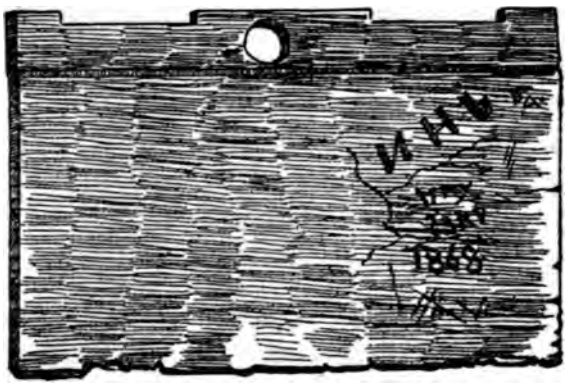
AUTOGRAPHIC BIOGRAPHY OF NATHANIEL HAWTHORNE JONES



HIS is an account of the evolution of Jones. Born after the manner of men and nourished on ordinary food, he filled his head with information and sold it to an insurance company for knowledge. The story of his youth is scrawled upon his school books; fly leaves, covers and pages; horizontally, vertically and diagonally. While he started on the common level Jones had aspirations and refused at this early age to be held down:

When he outgrew the barlow and was permitted to use a sharp pointed knife, his

individuality was carved on the desk, seats, school-building and forest trees.



On a recent visit to Mr Jones old home in Pennsylvania the Editor very fortunately secured the old desk at which he sat in the school and upon which the Boy Jones carved his initials and recorded the date of the crime. His seat-mate was evidently a very good boy as he left no record and no one remembers him.

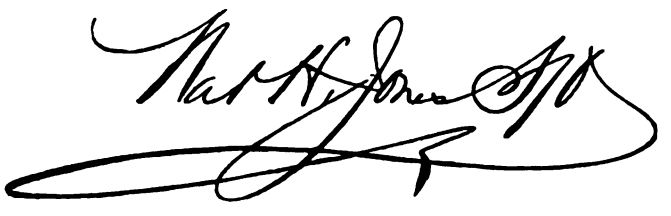
During his adolescence, he was quiescent, but there probably are a hundred traces of his existence as N. Hawthorne Jones, possessed by as many recipients of his fleeting admiration.

One of the adored landed him; as usual, he claimed the credit of the capture. Under her

influence some of his conceit vanished, and he changed his personality to Nathaniel H. Jones.

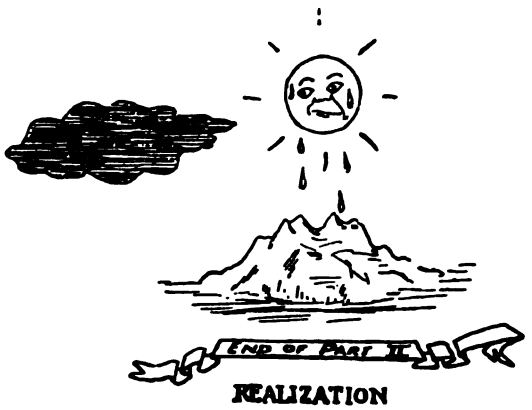
Taken from an insurance policy, issued by his agency, now in the Smithsonian Institution.

From his correspondence as Special Agent; partially beyond the influence of Matilda Jones, his conceit re-appears in flourishes and off-hand style.



He has reached the top of the stepladder, an elevation conducive to illegibility. Crystallize conscious importance, frequent repetition, and the hurry incident to the closing hours of the day, and the scrawl represents some manager, no matter who, as his name is printed on the letter-head to assist in identification.

—The Editor.



REALIZATION

Part III

The Manager

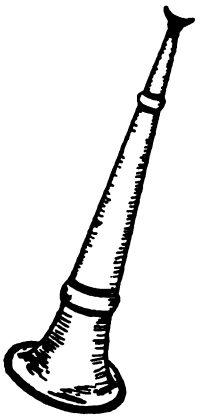
Disenchantment

CHAPTER I

INTRODUCTORY

AS there are a hundred privates to one Captain, and a dozen Captains to one Colonel, so there are a hundred agents to one Special, and a dozen Specials to one Manager. In functions as in numerical strength we parallel the military organization, and promotions are made in the same manner; the first usually for merit, the second sometimes through a pull, and not necessarily because of ability or seniority.

As, however, some Captains secure commissions without having served in the ranks, and a few Colonels have political influence enough to offset subordinate service, so it is in the insur-



ance field. The office is our West Point, and its graduates occasionally step over the heads of weather-beaten field men, scarred by numerous engagements, familiar with the theatre of war, acquainted with every private, well posted on the enemy's strength and weakness, and capable of meeting any ordinary emergency.

The adaptation of this system to a business enterprise produces results paralleled by a campaign. The unequaled courage of the private cannot outweigh the inefficiency of the officer who leads his men, himself courageous enough but unskilled, to almost certain destruction. He does not know his ground, underestimates the obstacles in his way, undervalues the strength of the enemy, is not mobile. Why? He is a theoretical soldier. He follows a system unvaried by circumstances and conditions. His plan of battle is carefully made, but instead of flanking a hill, he assaults it because it is in his way—his plan was so arranged and he follows it without the variations the old campaigner would adopt when the necessity arises. He wins, if at all, by numerical strength.

Contrast the commander opposing him. His army may be small, his forces unequal. He, too, has courage and courageous followers. He symbolizes the small or medium company Manager. He can hold his own only by superior tactics, superior generalship, superior ability. He has no unnumbered multitude (of dollars) to draw upon. He must husband his strength, cannot afford to sacrifice his men, and he *must* win, notwithstanding his limited resources.

There are very few first class powers, and many third raters. The former may be strong enough and wealthy enough to afford such a system, but it is too expensive for the latter. Only men trained to their positions, whose enthusiasm and experience outweigh superior numerical strength, are fit to command the hosts, and as a rule, only such are chosen.

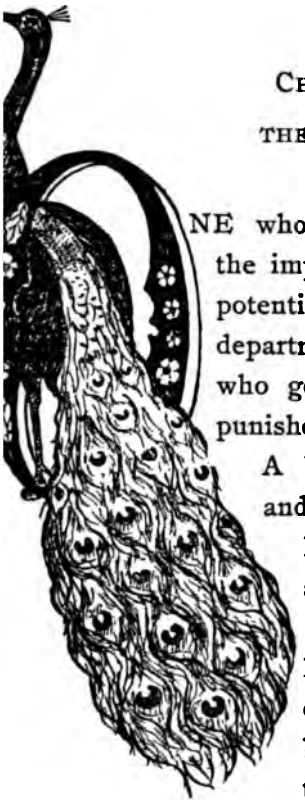
There are in the field to-day, the equals—in many cases the superiors—of the present General Agency force. They cannot all be chosen; there is not room for all at the top, but the material is at hand ready for the builder; well seasoned, with some knots perhaps, but generally classed

as clear. They are the future executive officers of the companies. To their care the interests of the shareholder will one day be committed, and no safer repository could be selected.

There is no royal road to preferment; accident and opportunity are often more potent than design. I was called from the field quite unexpectedly (some of my associates said unadvisedly) and I answered the call with alacrity. Did I weigh the responsibilities, count the annoyances, cast up the labor, consider the possible results? Yes, but the position counterbalanced them all.

Ten years of constant traveling, covering at times large areas, moderate familiarity with conditions at widely separated points, and a large acquaintance with the field and local personnel of the business, may have been some of the determining factors. The judgment was untried—it must be taken for granted. The conservatism of executive experience was lacking—it must be of slow growth. The ability to organize and command was embryonic—it must be cultivated. All things considered, they took some chances in selecting Jones. I, Jones, concede it.

Have my expectations been realized? Are human anticipations ever fulfilled? The country Local imagines he would be happy if he were only a Special, but when he arrives at the coveted goal is he content? The Special longs for the revolving chair. Is it any more comfortable than the old straight-back? 'Tis distance lends enchantment. Not what we have, but what we wish, we covet. Probably not over one or two executive officers in this country are really happy, and they own their positions, their directors and their subordinates—for they own the stock.



CHAPTER II

THE MANAGER

ONE who manages. Sometimes in the imperative, occasionally in the potential mood. The head of a department, a responsible *gerant*, who gets the blame and may be punished for the faults of others. A buffer, bumped from front and rear like a draw-head on a heavy grade with a new man at the throttle.

He is as varied as mankind, all human, and with capacity and capability bounded by human limitations. The description of him and his idiosyncrasies would characterize as well the directing force of any business. To the country agent, he is a great man. To the city agent, he is an impediment, a useless barrier.

To the special, he is the envied employer. To his superior officer, he is an employee, whose success or failure confirms or condemns the judgment that selected him. To his confreres, he may be anything from an able man to a ninny. What we may think he is depends upon the point of view of the judge, the deflection and refraction of the light; what he really is depends upon circumstances largely beyond his creation or control. He is the embodiment of his employer's policy, a manifestation of the company he represents, and subject to a limited classification upon these lines only.

The complacent, satisfied Manager has the privilege of directing the affairs of a large, well-established and well-known company during prosperous times, in a prosperous community. His business flows steadily on, unimpeded by rate disturbances, his bank account waxes strong, undepleted by conflagrations. He is conservative, content with a steady volume of profitable business. He is largely in the minority—in fact, his existence has been doubted. His associates are more or less embarrassed by the combination of unappeased wants and deficiencies.

The company may be large, but dissatisfied with its present volume of business. Its ambition is position, and the times unpropitious for any rapid growth.

It may be an immigrant from some foreign principality. A giant at home, it brought over a giant's appetite, and finds good forage scarce.

Another may be clothed in bristles, and though the badge is worn by all its employees, it cannot monopolize the trough with all its crowding and squealing.

It may be old with the frequent accompaniments of age, weakness and senility.

It may be young, too young, a fledgling attempting to soar to distant fields ere it had learned to fly on its native heath.

Or it may be, and most frequently is, a mean between the extremes, and the Manager still be unhappy. Disturbances in rates, unequal distribution of outgo, uneven flow of income, unjust legislative restrictions, all tend to disturb his equanimity; and when superadded to his daily burdens and annoyances, is it strange he is at times all but discouraged?

The road to success is up a long, steep hill. The companies are the wagons, the Managers the drivers. The gutters are full of crippled vehicles; some minus a wheel, or with a broken axle, are out of the race. Some stationary, using all efforts to hold their own; some with broken brakes sliding down hill; a few toiling laboriously toward the top. It requires brains to avoid the debris, surmount the barriers, and arrive despite all impediments; and that brains are not too abundant, even in managerial heads, is attested by the Annual Statements.

Yet his is not the entire responsibility for failure. His policy is prescribed, the bonndaries of his labor are clearly defined, the limits of his activity are set by the general management. If he is rightly responsible for the shortcomings of his own employes, of the corps selected by him, he may still divide the responsibility for general results, and this is applicable to the favorable, as well as to the unfavorable.

The element of luck must be considered, both good and bad. A business based upon chance is subject to runs of bad luck that no

skill can break and no dexterity avoid. If long continued and persistent, we call good luck ability; and bad, the lack thereof. The favored one has his salary raised, the other has his reduced or discontinued. One typifies Success, the other Failure. Are we not all gamblers with fate, some skillful, some awkward, but all subject to the varying chances of the game?

Chapter III

RESPONSIBILITY

THE degree of responsibility depends upon the authority granted or assumed in all agency grades, local, special and general. We are all agents of a principal, and subject to the general laws of agency, limited only by contract and established customs. We are often agents for the same principal, some with direct responsibility, and some with partially direct and partially indirect.

The Manager is directly responsible for the results in his department, subject only to such limitations as may be stipulated in his appointment, or to such customs as may have grown into his relations with his particular company. In some cases he is but an exaggerated Special; in others he is the embodiment of the policy of the company, and his responsibility for results is

exclusive, or shared in proportion to the authority conferred upon him.

In what the Special is responsible to him, whether he is responsible for the Special and to what degree, again depends upon the variety of Special he employs. There are three classes: The old-fashioned Special, who is the company in his field. The other old-fashioned one who is an instrument or tool of his Manager, who executes orders and is not presumed to think—his thoughts are all furnished ready-made. The modern variety who costs less, and whose whole duty is to get premiums.

Each is responsible in his way; the first, for general results; the second, must make his return properly endorsed like an under-sheriff; the third, must increase the income. All of them are laboring side by side in the field; all bear the same name, but the former is the only real Special, and the others are rapidly supplanting him. The tendency toward centralization so apparent in all lines of human effort, is gradually converging all the authority, all the discretion in the one head—the head of the department.

The choice is only a matter of policy or expediency. If the high-class man is disappearing, there must be a reason, aside from the common evolution that typifies growth. Possibly the Special has deteriorated? Or the scramble for income was too much for him? Or, more probably, his passing is due to the union of a number of causes? At any rate the tendency is toward specialization, and the old all-around man is less frequently met in the field than he was twenty-five years ago. As he dies, is promoted or retires, his place is occupied by one less expensive, with less general authority, and inferentially less knowledge and more limited responsibility.

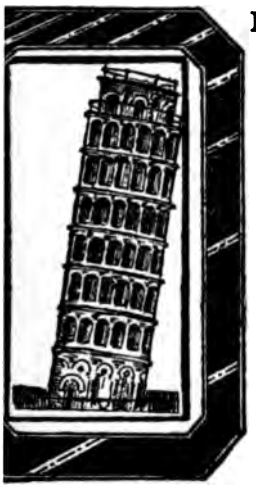
The same tendency is apparent in the local field, and they all increase the load of the General Agent. As the Locals and Specials depreciate, the Manager appreciates. They are his selections and under his control, and when he assumes the functions formerly delegated he assumes the responsibility associated with them. The immediate office force he can direct and instruct. He is always at hand for consultation; but the office system extended to the field force is a doubtful

experiment. With self-reliance and independence eliminated, how can a Special form, or act upon his conclusions?

Every step taken in this direction removes insurance one degree further from a profession, while it does not elevate it as a business. The conclusion is manifest. In the course of time, the Manager will be the one responsible agent between the company and the policy-holder, and his subordinates will be automatons.

CHAPTER IV

ETHICS



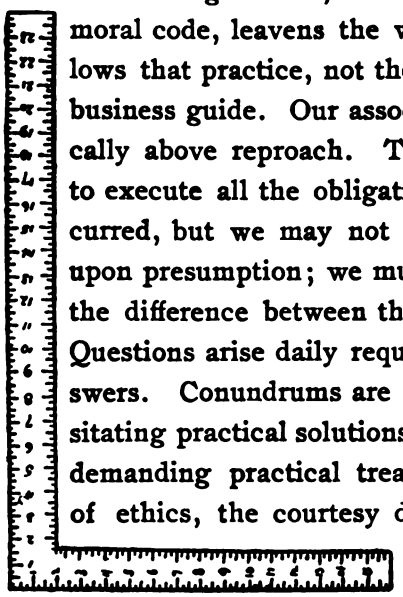
F the dealings of insurance Managers with the public, no valid complaint can be made. Their financial integrity is unimpeachable; the fairness and liberality with which disputes, often involving intricate points, are settled, bear evidence of a desire to do right at all times. The customer always receives the benefit of a doubt, and ten concessions are granted to one received. No other line of business can lay claim to a more strict performance of all the duties imposed; no set of men take less advantage of opportunities for sharp practices. But it is not of our duties to the public, but of our relations to each other that this chapter is written.

you may fill blank space to suit yourself

Managers are neither better nor worse than average intelligent business men, subjected to similar provocations and temptations. The abstract absolute is unattainable, difficult to approximate even, and although there is but little positive dishonesty, the majority of the shortcomings being of a negative character, only the hypocrite asserts he has kept all his engagements. Instead of mending one fault, he adds another. All deviate at times; some—unfortunately—more times than others. It is not the isolated case that debases, but the habit confirmed by repetition. A man may take an occasional drink, yet be a temperate man, even a temperance advocate, but too frequent repetition changes his status entirely. There are few or no teetotalers, notwithstanding the Pharisaical protestations.

So long as insurance is a business, the ethics must necessarily remain shadowy and ill-defined. Generally speaking, there is no special ethical code applicable to money getting, or if there is, it is not apparent to the observer in other lines of business. What ethics we have is confined to

and necessitated by our system of co-operation, expressed or implied. The outsider is entitled to and receives scant courtesy. As the quacks outnumber the regular practitioners, even our limited code is restricted in its application. Its laws are frequently subjugated by *lex talionis*. When smitten we refuse to turn the other cheek, and frequently strike back instead, another evidence, if another were needed, of our human frailty.



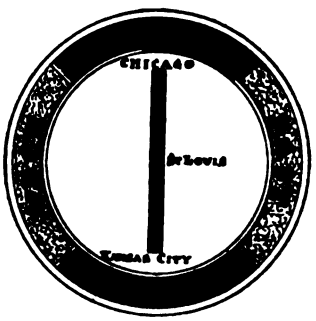
As original sin, unrestrained by the lax moral code, leavens the whole lump, it follows that practice, not theory, must be our business guide. Our associates are theoretically above reproach. They are presumed to execute all the obligations they have incurred, but we may not rely too implicitly upon presumption; we must take account of the difference between theory and practice. Questions arise daily requiring practical answers. Conundrums are propounded necessitating practical solutions. Situations occur demanding practical treatment. The code of ethics, the courtesy due our associates,

can not untie all the knots. Self-preservation cuts some of them, and is responsible for a good many of our business short-cuts.

The Manager who conducts an office npon theory, his own or another's, has little prospect of achieving success. If a better system than the one we are following were devised and adopted, the same elements would appear and disarrange the plans. Business will never be transacted ideally, but practically. In an ideal world there is no room for the Manager; it is the deviation from the perfect condition that makes a place for him. Theory will not even ameliorate. We must meet common abuses in a common-sense way. While we may not eradicate them, we may keep them within bounds, or reduce them to a minimum. If we followed the advice of all the insurance doctors, we should soon land in the cemetery. Such a course would be as foolish as an effort to regulate our daily lives by the don'ts of half a hundred physicians —it would starve us to death.

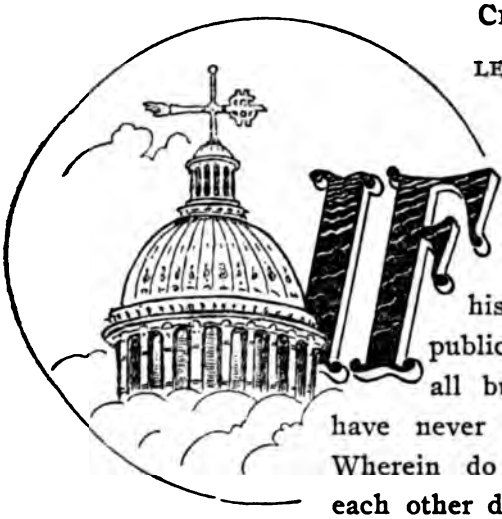
The conclusions are open to no misconstruction, and do not excuse even negative bad faith.

They *do* offer a plea in abatement, a plea entered from business necessity, and registered in the cashier's office. Loyola's maxim may not placate the conscience of the Manager, but it is quite sufficient for the business office if the means attained the end. The conduct of the average executive officer is like *my* railway line on *my* railway map. It is an air line straight and unvarying. No deviations are found on the closest inspection, but there are curves in the roadbed for all that. Engineering skill may reduce the number, may widen the gradient, but can not tunnel all the hills, nor fill all the depressions. Some curves are unavoidable.



CHAPTER V

LEGISLATION



If the General Agent owe any duties to his associates, his agents, or the public not common to all business men, they have never been discovered. Wherein do our relations to each other differ from those of any class associated in the prosecution of business for gain? Do we owe the public—our customers—any debt not due from the banking interests to the same public, for instance? Solvency, ability to cash our obligations, fair treatment?

It is in our relations to government that insurance interests differ from all others, and this anomalous position is the outgrowth of, and at the same time the most prominent example of

the socialistic tendency of American legislation. Starting upon a parity with banking, where solvency only was considered the especial care of the State, see how the little mustard seed has grown! The principle of State supervision once admitted, who can foretell the end? Certainly not the present generation. The Manager of fifty years ago would have considered it impossible to transact business under present conditions. And, as the limit is not yet in sight, we may reasonably expect continued progress during the coming half century.

That fire insurance is a legitimate, honorable calling can not be controverted by its most violent persecutor. By what peculiar mental process, then, is it classed with the liquor traffic, and hampered, restrained, licensed and all but taxed out of existence in many States, particularly in the West? The most rational explanation is that it is a vicarious sacrifice for the real and imaginary sins of corporations in general; an easily reached representative of the non-resident money power, that in some undefined way is responsible for the low prices of corn and

cotton. The punishment is out of all proportion to any imputed crime. The effect too serious and far-reaching for any apparent cause.

Anti-corporate legislation springs from two sources—the assumption that the people cannot take care of themselves and must be protected, and the further assumption that corporations, especially insurance companies, are a menace to somebody or something unstated, and must be restrained. That the people are imbeciles and the companies pirates. That the one requires a guardian, and the other a keeper.

The labyrinth into which this assumption has conducted us is complicated by the degree of vagary, and the absence of uniformity, among the States. One is content with prescribing the form and conditions of the contract—the mildest variety of paternalism; and all the shades are added until the union of all colors is found in a few of the socialistic communities in the South and West. Underwriters are justly disturbed, for in addition to the prescriptions and restrictions, the burden of taxation is annually increasing, until in at least one community it amounts

(National, State and Municipal,) to quite ten per cent of the gross premium income.

What can we do to remedy it? Nothing effective. The causes are mental, moral and political. We may hope the public has reached the crisis of delirium, and may change for the better, but we cannot cure it with doses of education. All the professors of political economy could not convince an advocate of restriction that an insurance company has a moral right to existence upon any terms. The education required to change his views is fundamental, of a much wider range than any yet proposed, impracticable, and impossible to execute in one generation.

Our agents are part of the community, and as they have been the instigators of some of the freak legislation, it is quite apropos to give their mental equipment some attention. We might reach the legislator through the medium of our agent, his neighbor and political associate, but we cannot do any effective work at long range. Arguments fail, reasonings miscarry, facts are scouted. They do not, combined, equal the

approving nod of one of his country constituents.

The disease must run its course—the fever must burn itself out. During convalescence we must grin and bear, or, if we cannot endure, we may succumb. The would-be physicians misunderstand the disease and prescribe palliatives when constitutional treatment is required. The cure, in any event, will not be accomplished during our generation, and we must adapt ourselves to our environment the best we may.

Chapter VI

of the rate

THE object of our business is money getting. The source is the premium. The basis is the rate. It follows that the rate received and the distribution of the premiums are the determining factors. If the one is adequate and the other not squandered, the object may be attained. In any event, there is no hope of profit if the rate be under-estimated.

What It Is. If the rate to us is the basis of the premium, to the people at large it is a tax levied more or less evenly upon the owners of real improvements and personal property; a tax

paid to private distributors, stock or mutual, instead of government; a tax paid voluntarily, under only such stress as business prudence necessitates, but a tax nevertheless. It is within the province of the payee when requested to explain not only why levied, but how arrived at, how distributed, and what disposition is made of it.

The tax is necessitated by, and the rate of taxation approximately determined from, the liability to fire waste. The possibility of fire is always present and can not be eliminated. The probability depends upon many circumstances, chiefly:

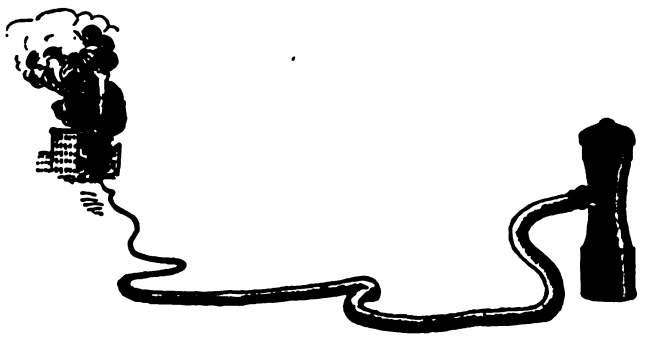
Faulty construction of buildings, faulty material, plans, or execution.

Proximity, congestion and exposures.

The storage and sale of inflammable wares.

Probability may be increased by vicious laws, or the absence of salutary ones, and diminished by fire protection of various kinds.

So much for the object. But insurance companies do not insure buildings, they insure persons; property is not insured, but the owner is indemnified against its loss, consequently there



are other and frequently as important factors to be considered as the physical, which we term the moral.

The credit and mercantile standing of the owner or occupant, his business record and reputation, his former successes, failures, or fires, a persistent run of bad luck, carefulness or carelessness, will suggest some of the numerous personal attributes that may contribute to or detract from the probability, aside from the physical hazard. As their presence or absence in the individual risk can not always be gauged, the moral risk is distributed among all insurers *pro rata*.

ITS SPONSORS. Its parentage varies with locality. In some States it is a statutory orphan, and under the care of its step-mother—the assured—it is growing weaker, punier, smaller. In other localities where it is not yet forbidden by public policy, nor considered a menace to public morals, the Local is its nurse, the Special its tutor, and the Manager its guardian. Its existence is a modern Pilgrim's Progress, daily beset with temptations, trials and pitfalls; often neg-

lected by its nurse, beaten by its preceptor, and all but abandoned by its guardian. Under the temporary care of the compact and State rater it grew abnormally, and was twice as large as its chief opponent—Loss Ratio; but when the Legislature sent its deputy guardian to the penitentiary, it lost its advantage—nearly lost its life.

How It Is Made. In some localities, and in the whole country upon some hazards, by schedule. The basis upon which the schedule is built is the outgrowth of time, experience and competition. It is the unfinished product of evolution, and the varying conditions are responsible for its lack of uniformity. The schedule is an attempt, more or less successful, to equalize the tariff by classes. All are similar, all essentially one. While the Universal Mercantile Schedule comprises the *Summum Bonum*, it may be considered an elaboration of any one in use. One of the best defenses of the schedule is that all of them applied to the same hazard yield approximately the same result. They are constructed to furnish the product $z=x+y$, experience and competition.

Though not pertinent to the subject, I can not refrain from mentioning one product of schedule ratings, the book underwriter—Local, Special or General—who is gradually replacing the man who relied upon his own information and experience for the conduct of his business. He is a good enough fair-weather pilot, but can he be trusted to steer intelligently through a storm that obliterates all his landmarks? Can anything replace personal study and experience?

CAN WE IMPROVE THE SYSTEM? It is admitted that rates are not scientifically made, neither is the Cripple Creek mineral formation scientific, an illustration of the divergence of science from Nature. Rates may never be scientific, but improvements to the present natural system may be discovered. If it were possible (it is not), to reduce rate-making to an exact science, would not government confiscate our business and leave us worse off than we are now?

Nearly all the companies have a classification of the receipts and the losses by States, by years and by decades. These show the experience of the individual company, but are of little

value in determining what the present average rate is by classes, and, consequently, what the future rate should be. The material at hand is not adapted to, was not intended for use as, a basis for rates. Companies keep their experi ence tables for their private information on the proportion of income to outgo by classes at going rates; to determine their trade profit or loss, and formulate their policy, gauge their lines, select their business from their experience.

Basic classification sheets for rates to be of practical value should consist of ***amount insured***, premiums and losses by classes and States. Details are of minor importance, but the amount of liability assumed is a ***sine qua non;*** yet this feature appears to have been overlooked in the general discussion. Losses to amount insured, plus loading for expense and contingencies, will show the cost and furnish a lantern light for our guidance; dim perhaps, but brighter and more reliable than the *ignis fatuus* we now follow.

WHAT IS DONE WITH IT? The rate pays for everything, on an average, in about the following proportions:

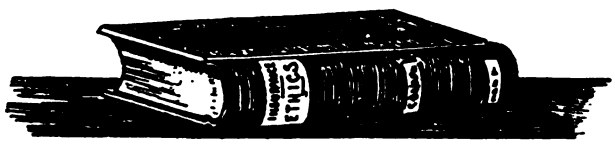
Commissions	20%
Management Expenses	10%
Supervising Expenses	4%
Taxes	3½%
Losses	60½%
Dividends	2%
Total	100%

For individual companies the division is made in different proportions, some with a larger commission account, some with a larger loss account, but the average is substantially as above. When the parts exceed the whole, the excess is supplied from the reserve or rest. The shareholder is served last or not at all, and in any event his returns are not proportionate to the jeopardy of his capital.

There is necessarily considerable discussion over, and criticism of, the division, but it, like the average rate, is not arbitrary, but a growth—the result of evolution, and has not yet reached maturity. Commissions are growing, taxes are growing, losses are growing. We can not control taxes, we can only measurably control losses at the expense of some other item, and we apparently will not control commissions. While the parts are increasing, the whole is stationary,

or decreasing. The dividends, at this rate, must either be paid from the rest, or shortly disappear entirely.

One not familiar with the business would suggest an easy remedy. If the rate be inadequate, raise it; but we may not arbitrarily interfere with long-established prices, and while a loss on the entire business would appear to justify such a step, we hesitate. Localities may be penalized, and for this there is a justification at hand, as in the case of a particular city where business has long been transacted at a loss. Our relations with our patrons are so delicately balanced, the competition is so active, the *raison d'être* of our business so imperfectly understood, that Smith in California can not see why a loss upon another Smith in New Jersey should be summarily charged up to him; and the friction resulting from an attempt to convince him may equal the actual underwriting loss under his present rate.



CHAPTER VII

THE INDIVIDUAL RATE

BECAUSE we charge upon an estimated percentage of loss based upon past experience, and the estimates may be and frequently are wide of the amount required, it is impossible to fix an exact rate upon any risk or class of risks. All we claim is an approximation. All we can hope is annually to lessen the distance between the estimate and the amount needed.

As we do not lay claim to infallibility in the aggregate, we cannot claim accuracy in detail. Rates are based upon the experience of years, in wide areas. No one year, no one locality can be considered apart from the aggre-

gate. With a very few exceptions no one class can be detached from the whole, and be made to yield a profit, or even be made self-sustaining. The individual rate cannot be considered apart from the whole, of which it is a part, since no one risk can pay a rate that will pay a loss.

No system of classification, however complex or complete; no experience tables individual or combined; no schedule built by fallible man can justify or defend the individual rate apart from its class. The reason is evident. No two risks are identical, physically and morally. They differ in location, exposures, construction, occupancy and ownership. Every one differs in some respect from every other, and the infinity of detail is not subject to classification; to attempt it would be absurd.

Since the underwriter admits the impossibility of explaining the exact individual rate charged, whence does the assured, who has given the subject little or no study, derive the fixed opinion that his rate is too high? How may we best explain to him the unknowable? All attempts have miscarried, but to the reasonable

policy buyer, and he is one of the large majority, should be explained the broad mutuality of insurance; that the stock company only differs from the purely mutual in that the rate is fixed, and the indemnity guaranteed by capital funds; that the responsibility for results is shifted from the insured to the shareholder; that he is relieved of the speculative feature; that he is not penalized beyond his business competitor; and that he actually, at the present writing, gets his insurance at less than cost. No business man should require more for his money.

THE IMPROVED AND PROTECTED RATE. The influence of fire preventing construction and fire extinguishing appliances on the individual rate has been enormous, large enough to affect the general average. There is a difference of opinion on the advisability of underwriters taking an active interest in either construction or protection. My own is opposed to the custom as practiced. Admitting they accomplish their aim—the reduction of the fire

waste—at whose expense is it? The entire cost of the equipment is taken from the insurance charge in an average term of five years. The reduction in the rate pays for the installation, and in the West at least, the concessions made are over-adequate.

Again, as a rule, we are general insurers. Our writings are not confined to any one class. If we pick out all the protected risks and insure them at a minimum, what results? The necessary loading for moral hazard, conflagrations, contingencies, even for proportionate expense, is not included, and must be distributed among the non-protected risks. It makes the sprinkler a preferred creditor, not only gives it a mortgage on the assets, but foists the expense of the administrator upon the already burdened general insurer.

As insurance is business, the only objection is dictated by policy. The impression left upon the general insurer is unfavorable; the gulf between the protected manufacturing risk and the unprotected mercantile risk, or even the non-productive dwelling house, is wide enough to cause comment; and it is questionable if the

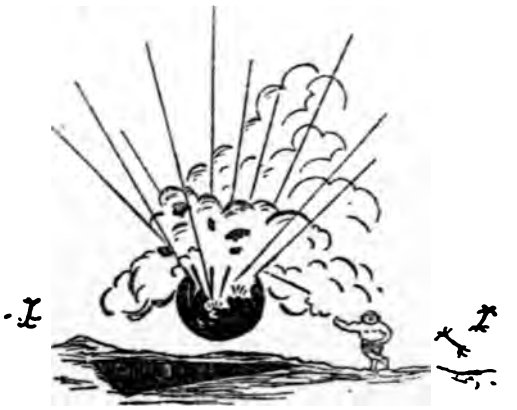
prospective profits justify the discrepancy in the charge.

WHAT OF THE FUTURE? We may take it for granted that any change will be of slow growth, that united experience will be compiled, if at all, in the distant future. That thereafter it would require a decade to evolve a safe basis. How about the interim? We must continue the present defective system until a better supersedes it, and we cannot do better than turn all our attention to such improvements as may be suggested. Percentage increases and decreases by localities and by classes have been used as a counter-weight for the fluctuating loss ratio. Cannot a better be devised? It is open to the objection and partakes of the nature of a punitive measure, a permanent charge for possibly a temporary loss. As a penalty for deficient protection for which concessions were granted, it is justifiable. Otherwise it is undignified, and a contradiction of the broad mutuality of insurance above referred to.

Laying impractical theories and unattainable hopes and expectations aside, is there not suffi-

cient grey matter employed in the business to originate something practical? While we theorize and speculate, we are selling our wares below cost. A patron similarly circumstanced would be unable to secure our policies. *He* might have a fire, instead of a failure. Are we not in danger of an explosion or a collapse?

The Manager who continues to accept business at less than cost, and the Manager who encourages or permits waste or extravagance in the division of the premiums, must surely settle their scores with the shareholder; must anticipate *une mauvaise quart d'heure*. We owe our first duty to the stockholder, the next to ourselves, and a final one to the public. There is a disposition to reverse the order, which bodes ill for the future.



CHAPTER VIII

OF INSURANCE ASSOCIATIONS

THE LOCAL BOARD.

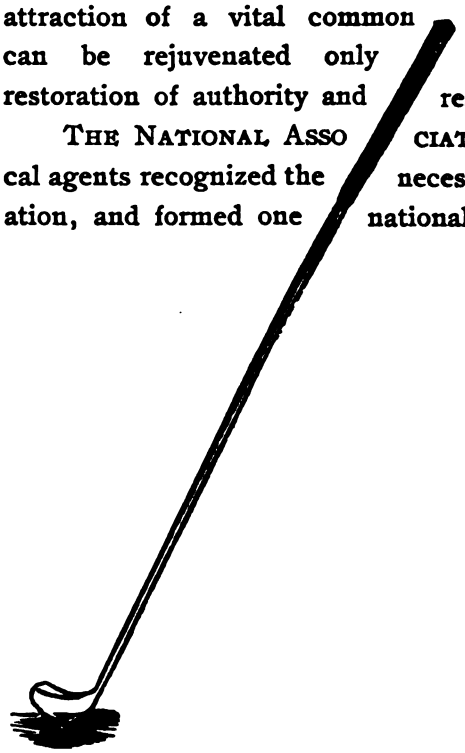
IF the agents are the foundation of the business, local boards were the mortar that held the stones in place. When we gouged out this cohesive tie, letting the wind and weather in, disintegration began and unless checked will continue until the superstructure falls upon its crumbling base. In recognition of its shaky condition we have propped it in one place with a compact, in another with a State rater; we have shored it up with union jack-screws, but we have not attempted to repair the foundation, though we have added loose material until it resembles a stone heap.

Shall we continue to inhabit the shack likely to fall about our ears when another prop is knocked out? Shall we move it to

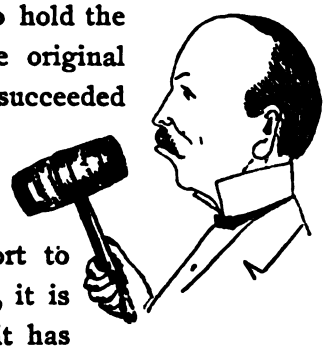
a new foundation, or shall we repair the old one? We have an abundance of material at hand, some of it good, much of it indifferent, a little bad. We have scores of capable willing workmen. Can not one of the many architects construct a plan upon which we can agree and work?

THE STATE BOARD. When the local boards were abolished the State Board was first whittled down to a Field Club, then to a social club; a nest for the compact was made out of the shavings; but there is not enough of the original board left to make a golf stick. The semi-literary, semi-social gathering is all that remains, where business topics are *tabu*, and from which nothing of practical value is expected. Its *raison d'être* was the rate making power, and when this was withdrawn it lost the cohesive attraction of a vital common interest. It can be rejuvenated only through the restoration of authority and responsibility.

THE NATIONAL ASSOCIATION. The local agents recognized the necessity of association, and formed one national in its scope,



which promises to become a considerable factor in the business. While it was viewed by many company officers with distrust when it was first proposed, it is now conceded by all to hold the germs of good. As it has grown, the original radical element has disappeared, and is succeeded by the conservatism born of numbers, with a directing force that recognizes the communion of interest between all branches of the business. As an effort to improve the condition of its members, it is entitled to aid and comfort; for what it has already accomplished, it is to be commended; for what it hopes to accomplish, it deserves encouragement.



Its greatest efficiency will be reached only when the State Associations are further subdivided and localized. While it could not perform all the functions of the local boards, it might measurably replace them, and quadruple its usefulness; and the companies could not complain if the ground they have abandoned be occupied by others.

COMPANY UNIONS. Nothing stands between us and chaos but the associations of the com-

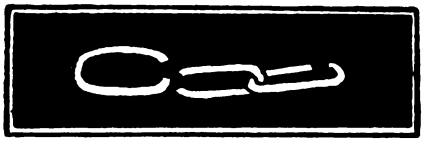
panies or managers, and what Chaos really is, can be explained by either the New Yorker or the San Franciscan, for both have lived under his rule. What polite language is strong enough to characterize the company or General Agent that not only refuses to contribute to the common security, but skulks around the block-house with knife and tomahawk in hand, scalping friends and enemies alike? What becomes of the guerrilla when the regular army capitulates? Has he any sympathy in his merited misfortunes?

These free-lances, under leaders old enough to know better, and strong enough to hold their own with any competitor under discipline, are comparable only to atheists. They offer no creed of their own, no substitute for an institution admittedly a necessary one, and exist only by the sufferance of the society they are attempting to uproot. No epithet is too opprobrious for such *canaille*, no inquisition too rigid.

The leper is cast out, sequestered from the community he contaminates. What rule of conduct compels us to walk arm in arm with the like? Nothing but moral cowardice prevents

absolute separation, and nothing less than separation will guarantee a continued healthy existence. A few tainted ones, if cast away at the same time, would prove an additional safeguard.

AUXILIARY ASSOCIATIONS. There are thirty odd collateral societies indirectly connected with the business but not necessarily composed of insurance men. All are useful, especially the technical ones, but not worthy of particular notice. They serve as educational institutions and by bringing the individuals interested in like subjects closer together are useful adjuncts to the central unions of company Managers.



CHAPTER IX

ORGANIZATION AND CO-OPERATION

WHEN I was a Local Agent I was an active member of a Board; as a Special, I did my full portion of State Board work; as a General Agent, I consider organization a necessity of the first importance. Without it, there can be no co-operation, and without a measure of mutual assistance what would become of us? I am not only an earnest advocate of union among Managers, but I go further and deprecate the lack of managerial interest in subordinate associations. A large portion of our rate troubles is the direct result of the usurpation by the General Agent of functions formerly performed by the local and field force. As a very few disreputable adjusters were respon-

sible for the valued policy laws, so anti-compact laws were enacted to kill the compact manager. When even the small measure of authority formerly vested in local boards was withdrawn, one of the closest bonds between the agent and the company was severed. When the agent saw long established tariffs arbitrarily changed by an independent authority with which neither he, his Special nor his Manager had any influence, we lost his sympathy and support. When he lost his influence on the rate, his hold on the policy-holder was weakened. Instead of arguing with the dissatisfied patron, or conciliating him with reasonable concessions, he made but one reply to his complaint: "I know your rate is wrong, but I can't help you. You must see the Compact Manager," etc.

The result of this misapplied power is apparent in many localities. The appeal from arbitrary methods was so effective that we are in a worse condition than we were before. Now rates are lower than the old local board rates. The effect on the field force was secondary, but adverse. No field man can be found who is an

advocate of the compact system at long range, though many may recommend it for business centers. St. Louis was the oldest local board city in the West, and the St. Louis merchant and policy-holder was the only man in the State that protested against the proposed Statute abolishing the board. His protest was vigorous, but unavailing. The compacts outside the city were too heavy a handicap.

It can do no good to mourn over the unalterable, but how about the many localities where existing conditions are tending the same way? Will we never learn? Shall we pursue the policy to its logical conclusion, the abolition of rates and rating machinery in any form? The difference between the Missourian, the Texan and the Oregonian is only one of degree. The same effects will follow the same cause; it is only a question of when. Shall we revert to the old system where and while we may, or shall we permit evolution to evolute until association and co-operation are but pleasant memories? If the latter course is to be pursued, we should equip ourselves for the inevitable. We are not up

against the Chinese, where hideous noises and grotesque antics will avail. We shall need armor and ammunition, especially ammunition. How about the arsenal? Is it well stocked?

Co-operation is effective only through organization. When we hear the cry of *sauve qui peut* we do not step back to permit our neighbor to pass. Where there is no organized society every man is his own judge, jury and executioner. We can look for assistance only from the ones we assist.

Lax co-operation is as much the result of imperfect organization as the inherent desire to take a business advantage of our fellow-man. Without local boards we can get no local assistance. Our imperative orders may be executed, but in a dilatory way. The Local can see no advantage accruing to him, and is not sympathetic enough to sacrifice anything for the company. Our Specials even seek excuses to delay. "Why help this company retain a risk by cancelling our policy? It would not consider us a moment if the conditions were reversed." Unfortunately this prophecy is probably only too

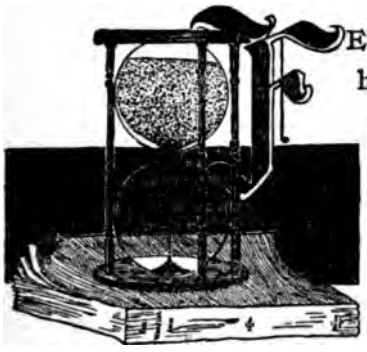
exact. If the Special of my company were bound by State board obligations to help your field man out of the mire, would he invent an excuse if none were at hand, to evade his duty? He would be ostracised if he did; would occupy a position no reputable Special Agent could afford to fill.

It results that what little assistance the companies give each other is confined to the executive officers, impeded by the dilatory tactics of the Local and the excuses or justificatory pleas of the Special. We are human, so liable to err (always in our own favor) that but one conclusion can be drawn. As the Arizona minister said when asked to deliver an eulogy over the remains of Whiskey Pete: "The less said on this subject, the better."

CHAPTER X

DIAGNOSIS

RETROSPECTIVE.



FEW thoughtful men who have crossed the hill-top of life and begun the descent can avoid comparisons favorable to the surroundings of their early labors. The toil and strife of the ascent are forgotten; the annoyances and disappointments, the unattained hopes and expectations have faded from the memory; but the wayside flowers, the overhanging foliage, is ever before them, and unconsciously compared to the withered leaves and dead branches of the evening of life.

How much of the good we see in the past and the evil we complain of in the present is due to this defective but beneficial trait of

memory? Is the world growing worse? Are the conditions under which we exist to-day more unfavorable? Is fortune more capricious? Or, as the optimist affirms, is this the best of worlds, and our yellow vision due to jaundice or infirmity? Which of the schools is right?

Probably neither is wholly right nor wrong. We have improved in some respects and retrograded, or what is equivalent, been stationary, in others. In general, our business is not in better condition than it was a quarter of a century ago, nor is the outlook brighter. We can trace some of the causes of our difficulties, and are too apt to give them overdue weight, and to generalize beyond a point justified by the particulars. Many of our annoyances were preventable, had we considered the future instead of present expediency. Should we not now take heed of the final as well as the immediate result of the theories suggested for improvement?

INTROSPECTIVE.

The major portion of present adverse conditions is the result of our failure to admit and meet the changes taking place around us. We

should be the broadest of all business men, since we deal with all kinds and conditions of men and things, but are we? Is it not a fact that we have specialized our thought, and worn the groove so deep we can not see the procession that has not only overtaken but outrun us? Let us note some of the changes that have occurred both within and without.

As accentuated in previous chapters, the duties, qualifications and responsibilities of all grades of agents have been reset and rearranged during the last two decades. The Local is untrained and unfit for the duties he should perform; the Special's education has been so specialized to premium-getting that other and equally necessary qualifications have been neglected; the Manager has been loaded down with responsibilities that were formerly shared by the locals and specials; organization has been relaxed or disbanded; co-operation has all but ceased to co-operate.

From without, restrictive legislation has thrown its meshes about us, affecting every branch of our business—contract, rates, claims and asso-

ciation. Non-affiliating competition has increased; our largest customers, by centralizing their management, reduce expenses to increase dividends, and demand and receive wholesale prices at our expense. Middle men are weeded out. The tendency in all lines is toward concentration in mercantile and manufacturing, transportation and distribution.

PROSPECTIVE.

We need not worry over the safety of the principle of insurance, as it is secure, but we may doubt the perpetuation of present methods and the men wedded to them.

If our positions depend upon the survival of the system, we should be prepared at any time to vacate them. We can not long sell our wares below cost, and the cost is composed of too large a proportion of expense to sell them at list price. We can not continue indefinitely antiquated and over-expensive methods antagonistic to the trend of general business. We must conform to our surroundings, or make way for a competitor modeled upon up-to-date plans.

The shareholder will be the arbiter. When we fail to give him reasonable returns he will withdraw his capital. So long as he is satisfied we are secure, and it follows that the one final test of fitness is, and the future of the individual, from Local to company officer, depends upon, our ability to earn a margin equal to that afforded in other business ventures. Is not self-preservation a sufficient stake to put us on our mettle?

Dr. Jones, after a thorough and searching examination of the patient, Fire Insurance, finds him afflicted with the following ailments:

CHRONIC DYSPEPSIA. Caused by gluttony. Bolting too great quantity in too hurried a manner. Symptoms: Capricious appetite, alternating hunger and nausea, flatulence, fever, and pains in the pit of the stomach.

NEURASTHENIA. Caused by impaired nutrition, anxiety and grief. Symptoms: Disturbed rest, lassitude and mental depression, with a tendency to weep. Frightened on slight or no provocation.

He needs attention, as his condition is growing serious. His physicians in ordinary, as well as his nurses, are afflicted with a bad case of *Hysteria*, resulting from nervous strain, with the accompanying dejection of spirits, impatience, emotion, excitability and marked defect of will and mental power. *They* need a combined sedative and anti-spasmodic. What *he* needs shall be the theme of the next chapter.

CHAPTER XI

PRESCRIPTION

RAISE the rates. Reduce the commissions. Abolish brokerage. Prohibit term business. Improve construction and protection. Abolish multiple agencies and annexes. These are a few of the specifics upon the market, but not one of them is a panacea; though each might relieve, none would cure.

When his engine labors and groans under a normal pressure, does the driver increase his head of steam? When the current is grounded, does the electrician double his voltage? Do we need more power, or better and more economical application? Manifestly the latter.

The present average rate is sufficient if collected upon annual business and properly applied, to pay losses, necessary expenses and a reason-

able dividend. The power is ample, but the machinery needs overhauling. Forty per cent is lost in transmission, and it is our duty to reduce the waste before applying for an increased initial force. Useless wheels, large and small, imperfect gearings, untrue shafting, absorb five per cent of our power. We must reduce the friction. Unpacked valves, leaky cylinders, corroded pipes, waste five per cent more. We must repair them. The foundation has withstood the thumping and jarring up to date; is still firm and worthy of a better superstructure.

The spendthrift's financial condition is not permanently altered by a new legacy; unless he reforms his habits it is soon squandered, and he is again dead broke. If the similes are applicable, our first duty is apparent. Before asking our customers for an increased tax, we should give them some evidence of an improved administration. All of us admit the present expense charge is too high. A comparison with the economic conditions of other lines of business is unfavorable to insurance. A continued increase in the cost of administration is opposed to the

universal trend of business. A reduction is a prime necessity.

Inadequate rates are the least of our troubles, because rates are fluctuating and measurably subject to individual influence. Expenses, on the contrary, are fixed charges and amenable only to unanimous organized co-operative control.

No single company can accomplish a reformation; co-operation is necessary.

There can be no co-operation without organization; organization is necessary.

There is no existing executive organization broad enough in its scope to include the whole country; a new union is necessary.

A union composed exclusively of head executives, having jurisdiction over the whole American business, to whom Managers and General Agents are subordinate. A union superior to all existing organizations. A union with but one object, the reduction of expenses. Qualification for membership should be broad enough to admit all companies. Object of organization confined to the one question. Rates, tariffs, present affiliations, ignored. A platform on which domestic

and foreign interests may meet on an equality. A union ignoring all embroiling and embittering collateral subjects.

Such a union is feasible and practicable, and if it included ninety per cent of the premium income, would be successful. Its simple edict, issued on January first, and requiring a percentage reduction in expenses during the current year, would be effective. The Managers, under suitable penalties, would provide the ways and means. If insufficient, a further percentage reduction could be promulgated.

The effects would be far-reaching and beneficial. The abuses that fatten on the expense account would be abated. Even so small a reduction as ten per cent of the present cost (twenty-five per cent would be ultimately required) would accomplish more good, because it is practical, than all the theories preached for a century. It would abolish all illegitimate and excess agency expenses; multiplicity of inspections and adjustments; high commissions and brokerages in excepted cities and larger business centers, that have grown out of all proportion;

duplicate and multiple agencies; supernumerary specials and employees. It would reduce the number of agents, by weeding out the incompetents, useless departments and department managers included. It would place the business upon such a basis that it would require no apologist, and it would not reduce the income a penny.

The pill may be hard to swallow, the medicine distasteful to the middle man, but nothing less than such a cathartic will remove the obstructions. If the proposed remedy is worth a trial, who will be the leader? Who will constitute himself chairman and call the meeting to order?

CHAPTER XII

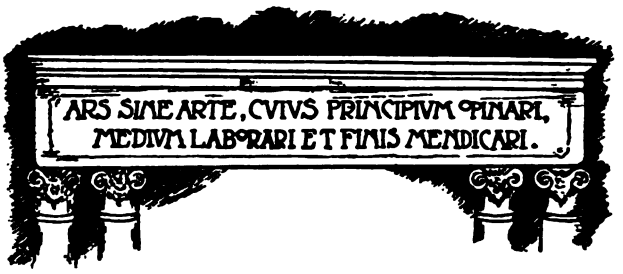
CONCLUSION

A NEW prophet has arisen in the world, whose coming is the reaction of overloading and crowding, whose doctrine is co-operation, the antithesis of competition. This prophet is The Trust, and Dividend is his God.

The sun of domestic business expansion has set, and the day of contraction is dawning. The fire insurance field has been so thoroughly exploited that not a village has been neglected. The plant is completed and equipped, and the construction gang must make way for the operating force, since the returns can not bear the double charge.

The opportunity of individual effort is narrowing, for capital is preparing for emancipation by shaking off the yoke of mediocre brains. There will always be room at the top, but there will be less room, for there will be fewer tops.

The soil is yearning for a reflux of the tide that for years has borne its cultivators to town and city. The farm awaits the return of the prodigal with outstretched hand and smiling face. Finance, commerce, profession and trade can spare mediocrity. Jones, old man, are you able to turn the grindstone yet—already—noche'mal?



APPENDIX

APPENDIX.

Something more than a century ago, Mr. John Weskett, Merchant, published a volume at Dublin under the following title:

A
Complete Digest
of the
Theory, Laws and Practice
of
Insurance.

THE Theories, Laws and Practices of Insurance have so multiplied and increased in the interval that no John Weskett, Merchant, of this day can digest them. As an illustration of the antiquity of some of the Practices, the Editor quotes from the Author's Preliminary Discourse. Four generations have intervened, all of them preaching reform, but practicing heresy, and the legacy is ours.

"It is certain that there have not been wanting some Instances of those stiled *great*, and *leading* Underwriters, from their Avidity of beginning, or subscribing almost every Policy that appeared to them, who, far more *bold* then *wise*, seemed to depend, in every Respect, on *mere Chance*; and to follow intirely the ridiculous and vulgar Adage, that "an Ounce of Luck is worth a Pound of Judgment"; and, who have not only underwritten almost every Policy, but adjusted every Average, Loss, Return,

&c., just as they were exhibited to them, or as they have been requested, with little, and very often *no* inspection, or examination, and without a single Document, or Paper produced; till they have, in the End, fatally experienced the infallibly bad *Consequences* of their Inattention, or Incapacity:—for, was it possible that they should have been otherwise then constantly and grosly imposed upon; and caused many others to be so too, who were induced, from entertaining false Ideas of the Knowledge and Abilities of *such* Leaders, to follow their illusive Pattern?—By *Leaders*. I mean, more precisely, every Person who *first* underwrites, or *first* signs an Adjustment on, a Policy.

NEITHER would it be short of Truth to intimate, that there have been some considerable Underwriters, as well as Brokers, who were totally ignorant of the true *Import* and *Effect* even of some of the common, printed *Terms* in *Policies* of Insurance; nay, who never read a Policy throughout in their Life;—as many Persons pass for very good Christians who never perused a single Epistle, or Gospel in the Liturgy.

The numberless instances, daily occurring, of very extraordinary *Unskilfulness, Negligence,* and *Error,* together with ATROCIOUS *Deceit* and *Imposition,* in the claiming, stating, and settling of Losses, Averages, Salvages, Returns, &c.—even on Policies of large Amount, are, in Reality, *amasing*, and demand a very serious Regard.

On the other Hand, it is also true that the very Misconception and Inexperience redound sometimes, though not often, to the Prejudice of *Assureds* themselves; by calculating and recovering *less* than their Due.

It has been, for a considerable Time past, a very usual, though a very disgraceful Observation, in our Courts of Judicature, amongst the Council employed in Insurance Causes, that "UNDERWRITERS are like a *Flock of Sheep*"; alluding to the *Inconsideration*, Indo-

lence, or Incapacity, with which many of them perform their Business; and their Aptitude to follow *implicitly* the *Example* of a *Leader;* or any one who, perhaps with as little Judgment, or Information as themselves, first subscribes a Policy; or without Enquiry, *first* signs thereon an Adjustment of a Loss, Average, &c.—and afterwards, when some one or other whose Attention may have been awakened,—his Fears alarmed,—or his eyes opened, by a Discernment of some Fallacy, or Discovery of some Fraud, the whole Flock, too late, take Fright;—and, being puzzled in the Maze of their confused Ideas, but fast bound in the Pen, Dispute succeeds; and they find themselves obliged to run wildly into a Court of Justice for Redress; which, however, is seldom to be found there, from the great Difficulty of ascertaining *Facts,* and of bringing forth the real *Merits* of an Insurance Cause and the Occasion for which, by a previous, moderate Acquaintance with, and an habitual Attention to what they were about, and to the *Nature* and *Circumstances* of the Risque, or Demand,—might have been intirely avoided; as well as the *illiberal Garrulity* of certain *Pleaders.*

Nothing is more usual, in such Cases, than for the Brokers to say,—in order, merely through Impatience, to attain their End in getting the Policy adjusted, however wrongfully,—or to favor the Assureds, their Employers—"Why, Sir, *such* an one, and *such* an one, or *so many* have settled it;—Why should *you* object?—Well, 'tis always better to follow *Example;*—to do as others do;—to fall in with the Crowd;—not to be singular; or suspicious;—to cavil,—or pretend to know better than others;"—and a great Deal more of such *Gibberish!* But, this Manner of proceeding, besides the palpable and immediate Injustice of it, evidently tends to, what only can be effected by it, the firm Establishment and Increase of *Ignorance, Error,* and *Fraud,* in the Course of all Matters whatsoever in this Business.